



PROVINCE OF MANITOBA

EXTENSION COURSE
MUNICIPAL ADMINISTRATION
AND PUBLIC FINANCE

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THE UNIVERSITY OF MANITOBA
THE DEPARTMENT OF MUNICIPAL AFFAIRS OF MANITOBA
THE MANITOBA MUNICIPAL SECRETARY-TREASURERS' ASS'N

A Reprint of Addresses Delivered During
the Extension Course held at the
University of Manitoba
June 15th to 19th.
1953.

Arranged
for Municipal Officials and
Members of Municipal Councils in Manitoba

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"The great problems of human welfare cannot be solved by any one government, any one municipality, or any one province, but only by a great co-operative effort of all."

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INDEX OF ADDRESSES
DELIVERED AT THE
EXTENSION COURSE IN
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June 15th to June 19th, 1953

		<u>Page</u>

Some Fundamental Concepts of Municipal Government	- Mr. R.M. Fisher, Q.C., L.L.D Deputy Minister of Municipal Affairs, Province of Manitoba.	1
The Report of the Provincial- Municipal Committee	- Professor R.C. Bellan, Department of Political Economics and Sociology, University of Manitoba.	13
Implications of the Welfare State - Economic, Social and Political	- Mr. H.C. Pentland, Assistant Professor of Economics, University of Manitoba.	18
The New Rules of Residence	- Miss W.B. McMurray, Legal Supervisor, Department of Welfare, Province of Manitoba.	25
The New Rules of Residence	- Mr. G.V. O'Brien, Assistant Superintendent, Welfare Department, City of Winnipeg.	27
Functions of Welfare Agencies Department of Public Welfare Family Bureau Family Court Juvenile Court Children's Aid Societies	- Mr. K.O. Mackenzie, Deputy Minister, Department of Public Welfare, Province of Manitoba	30
Preparation of Jury Lists	- Mr. W.J. Johnston, Q.C. Deputy Provincial Secretary, Province of Manitoba.	36

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		<u>Page</u>
Electors' Rolls and Lists of Electors and Rate Payers	- Mr. A.W. Vincent, Secretary-Treasurer, Town of Tuxedo.	40
Grants for Education	- Dr. R.O. MacFarlane, Deputy Minister of Education, Province of Manitoba.	49
Modern Office Routines and Procedures	- Mr. P.F.C. Byars, President, Manitoba Municipal Secretary-Treasurers' Association.	53
Know How and Know Why	- Professor A.S.R. Tweedie, Director, University Extension and Adult Education, University of Manitoba.	60
Origins of Modern British Local Government	- Professor W.L. Morton, Chairman, Department of History, University of Manitoba.	62
Problems of Local Government Re-organization	- Mr. Elsworth F. Bole, Municipal Representative on Provincial-Municipal Committee.	68
Dramatisation of The Preparation of a Municipal Budget	- Mr. Paul Kenway, C.A., Municipal Auditor. Mr. J.F. Keeley, C.A., Municipal Auditor. Mr. R.L. McDonald, Secretary-Treasurer, Town of Selkirk. Mr. W.R.B. Trow, Secretary-Treasurer, Town of Boissevain and Municipality of Morton.	72

SOME FUNDAMENTAL CONCEPTS OF MUNICIPAL GOVERNMENT

by

Mr. R.M. FISHER, Q.C., LL.D

In his Gettysburg address Abraham Lincoln used words which we might well recall and consider in Canada in this twentieth century.

"That we here highly resolve that this nation shall under God have a new birth of freedom and that government of the people by the people for the people shall not perish from the earth."

In this country government at any level is an institution whereby people of their own free will and choice choose certain of their fellows and delegate to them authorities to be exercised for the common good.

Responsible government is not something distinct and apart from people. It is established by free men and subject to their control to insure law, order and justice in society. It is not superimposed control by a group of individuals free to seek their own selfish aims and ambitions - without regard to the rights, freedom and the common good of individual citizens. It is among free peoples government of the people by the people for the people.

Professor Arnold Toynbee has stressed that the acceptance and overcoming of challenges to a nation's life are the price of survival of its civilization.

The title of this paper and its place on the programme was intentional. An introductory statement of a broad basic principle was made because in the consideration of the practical problems of municipal administration and public finance it is well to remind ourselves of fundamental principles or concepts to guide our thinking and test our conclusions, lest without these sign posts we lose our way in the wilderness of conflicting propaganda and special pleading dished up daily by radio, by television, on every platform and by every publication in the land.

There are some today who believe that this modern flood of propaganda constitutes a real danger to clear thinking and we should be aware of the insidious danger of thought control in modern society.

Another development that disturbs me is the increasing tendency for people to look to governments at some level or another for the solution of all the personal problems of human kind. We are in danger of selling our birth-right of being free, independent, self reliant, self-respecting human beings, for a mess of pottage of paternalistic control. Once our combined surrender goes far enough we may be past redemption.

Government for the benefit of any powerful organized group or groups

in society, whether they be racial, religious, industrial, agricultural or trade union, which through financial power, voting strength or through political pressure, seek policies primarily designed for their selfish benefit without regard as to how they may affect and prejudice the rights and freedoms of common men and women, will eventually bring about what Lincoln feared some form of dictatorship and freedom will perish from the earth.

When I find a municipal council, as I sometimes do, taking the attitude that the municipal corporation is something separate and apart from the electors and ratepayers of the community, and what council does is none of their business and that the council has no obligation to keep people informed as to the reasons for council's actions, I come to the conclusion that this is not government of the people by the people for the people.

I. Jurisdiction of municipalities, councils and members of council.

Section 4 of "The Municipal Act" is as follows -

"4. No municipal corporation shall have the capacity to contract or use its funds in a manner not authorized by its letters patent or by this or some other Act."

Municipalities only have such powers as have been delegated to them by the Province.

May I also draw your attention to sections 287 and 288 of "The Municipal Act,"

"287. The powers of every municipal corporation shall be exercised by the council thereof."

"288. The powers of the municipality shall be exercised by by-law when not otherwise authorized or provided for."

These sections do not provide that the powers of the council shall be exercised by the mayor or reeve, or by a councillor within his ward, or that they can be exercised at all if there is no statutory authority to do so, or that they can be exercised in any manner contrary to the provisions laid down in the Act.

It is important to remember that as a council you can only do the things you are authorized to do and you can only do the things you are authorized to do in the manner provided by the authorization.

This may be the place to draw your attention to section 303(1) of "The Municipal Act."

"303 (1) (a) Any member of the council of a municipal corporation who expends or authorizes the expenditure of any moneys of the corporation without having been first empowered so to do by by-law or resolution of the council; or

(b) any member of the council of the municipal

corporation accepting or voting in favor of paying to any person, including any member of the council, any sum not authorized by this Act or any greater sum for any purpose than is permitted by this Act,

shall for every such offence in addition to being liable in a civil action instituted against him by the corporation or any ratepayer thereof be liable to a fine of not less than twenty-five and not more than two hundred dollars and in default of payment, to imprisonment for not less than one month nor more than two months."

Again there is an important section in "The Criminal Code of Canada"--

"164. Every one is guilty of an indictable offence and liable to one year's imprisonment who, without lawful excuse, disobeys any Act of the Parliament of Canada or of any legislature in Canada by wilfully doing any Act which it forbids, or omitting to do any act which it requires to be done, unless some penalty or other mode of punishment is expressly provided by law."

Incidentally, the Department of Municipal Affairs has no jurisdiction or authority except such as have been delegated to it by statute.

If you object on the ground that strict adherence to these provisions is impractical, my answer is obey them until you get the law changed.

It is true that under section 327 the council may appoint committees.

"327(1) The council may appoint committees composed of as many of its members as it deems expedient, and may delegate to them its powers respecting the examination of any question, the management of any business, or the execution of specified duties, but not for the revision of the assessment roll.

(2) Each committee shall render an account of its labors and decisions by report signed by its chairman, or by a majority of the members present who compose the committee; and no report or order whatever of a committee, except such orders as are authorized by by-law or resolution, shall have any effect until it has been adopted by the council at a regular or special meeting."

The important provision is that committees only have such powers as are specifically delegated to it.

Pollock, C.B. in *Reynell v. Lewis*, 16 L.J. Ex. 30;

Held that the term "Committee" means an individual or body to which others have committed or delegated a particular duty.

In re *Scottish Petroleum Co.*, 51 L.J. Chan. 845. Kay, J. said -

"I observed in the argument that according to one's ordinary idea of

the meaning of the word "Committee" it consists of more persons than one. But I was not right in saying that because that is not ex vi termini the necessary meaning of the word "Committee" which simply means a person or persons to whom anything is delegated."

It seems, therefore, that council could appoint a ward councillor as a committee and delegate to him the duty of reporting on some matter or specially authorize him to do a certain act, but it must always be remembered that council might be subject to criticism for delegating to a committee a matter and thus putting it beyond the control or review of the council. It is also important to note that a committee has no authority beyond what is specifically given by by-law or resolution, and what was pointed out previously about whether the delegation of authority should be by by-law or resolution also applies in these cases. If specific authority is delegated the phrasing of the authority should be given careful attention so there can be no argument in the future as to what actually was delegated.

II. Conduct of Business of Council.

Now let us look for a minute or so at another fundamental concept.

"320. (1) Every disputed question shall be decided by a majority of the votes of the members of council present, except in cases where, under the provisions of this Act, another number of votes is required to carry the matter.

(2) No question once decided shall be reversed without notice from at least one meeting to another, nor unless a majority of the whole council vote in favor of such reversal."

"321. Every member of the council present when a question is put, except the head of the council or chairman, shall vote thereon, unless a majority of the council then present excuse him or he is prohibited from doing so by this Act."

I think it can be laid down as a general proposition that members must vote on disputed questions except as provided in the section.

Now let us deal with the position of the mayor or reeve.

First, he shall not vote except in case of tie.

"322. The head of the council or the chairman shall not vote except when there is an equality of votes exclusive of his own vote, in which case he shall give a casting vote."

Second, he is head of the council and chairman of its meetings.

"335. The mayor of a city, town, village, suburban municipality or municipal district, and the reeve of a rural municipality, shall be the head of the council and the head and chief executive officer of the corporation."

As chairman if he wishes to discuss or argue a question he should

leave the chair and have someone else appointed temporary chairman.

Third, he has the power of veto.

"336. (1) The head of every municipal corporation shall in addition to all other powers, have the power of vetoing any by-law, resolution or measure adopted or passed by a vote of the council, authorizing the expenditure of money, at any time within twenty-four hours after the time it is adopted or passed by the council, by giving to the clerk notice thereof in writing, and the clerk shall forthwith give notice in writing of the veto to each member of the council.

(2) The veto may be overruled and removed at any subsequent regular or special meeting of the council if a majority of the members of the whole council, not counting the mayor or reeve, are present and a majority of the members present vote in favor of overruling and removing the veto. For the purpose of the vote on the question of overruling and removing the veto the mayor or reeve shall not be deemed a member of the council."

Fourth, he has certain duties of a general supervisory character.

"337. The head of every municipal corporation shall be vigilant and active, at all times,

(a) in causing the law for the government of the corporation to be duly executed and put in force;

(b) to inspect the conduct of all subordinate officers in the government thereof;

(c) as far as is in his power, to cause all negligence, carelessness and positive violation of duty by subordinate officers to be duly prosecuted and punished; and

(d) to communicate from time to time to the council all such information, and recommend such measures within the powers of the council as tend to the improvement of the finances, health, security, cleanliness, comfort and ornament of the corporation."

Fifth, he presides at council meetings and maintains order and decorum.

"339. The head of every municipal corporation shall preside at meetings of the council, or, in his absence, or if his office is vacant, caused by resignation, death, judicial decision or otherwise, the members present may, fifteen minutes after the hour appointed, appoint a chairman from among

themselves; and such chairman shall have the same authority and shall exercise the same functions in presiding at the meeting as the head of the corporation might have had or exercised if present."

"340. (1) At all meetings the head of the council or chairman shall maintain order and decorum and decide questions of order, subject to an appeal to the council,

(2) The head or other chairman of the council may expel and exclude, or cause to be expelled and excluded from any meeting any person guilty of improper conduct at such meeting."

Sixth, he may suspend policemen -

"366. (1) Every mayor or reeve may, within his jurisdiction, suspend from office the chief constable or any other constable of the municipal corporation, and may, if he choose, appoint some other person to the office during such suspension, and he shall immediately after suspending him, report the case to the council, and the council may dismiss such officer or remove such suspension and restore him to his office.

(2) During the suspension of such officer he shall not be capable of acting in his office except by the written permission of the mayor or reeve who suspended him, nor during such suspension shall he be entitled to any salary or remuneration."

Seventh, he signs cheques -

"666. (1) All moneys of a municipal corporation paid to or received by the treasurer thereof shall be deposited at least once every week in a chartered bank to the credit of the corporation, in an account kept in the name of the corporation, and shall be withdrawn only upon the cheque of the treasurer, countersigned by the head of the corporation or by such other person or official as is named by by-law of the corporation."

Apart from these powers and duties or such others as you may find statutory authority, the mayor or reeve has no special power or authority.

So far as individual councillors are concerned, unless they have specifically been delegated authority by council and in that case only within the strict interpretation of their delegated authority, they as individuals have no powers apart from council.

There is only one exception to these general propositions -

"303. (3) Paragraph (a) of subsection (1) of this section shall not apply to cases where an expenditure of an amount not exceeding one hundred dollars is necessary

or urgent to repair any public work of the corporation or for aiding any indigent person within the limits of the corporation. In any such event, however, it shall be necessary before the expenditure is made for the head of the council first to authorize the expenditure."

III. Assessment.

Assessment is the foundation of the foundation of the whole municipal structure. If the foundation is faulty the structure will collapse.

Our present law provides that land shall be assessed at its value. The courts have generally interpreted this to mean market value. Along with this provision an even more important principle is laid down in section 1041.(3).

"1041. (3) Notwithstanding that by the provisions of this Act, property is to be assessed at its value, the amount of the assessment of property complained against shall not be varied by the court of revision if the value at which it is assessed bears a fair and just relation to the value at which other property in the municipality is assessed;...."

Of the two provisions section 1041 should be the controlling factor for the following reasons.

Assessment is nothing more than a measuring stick to insure that taxpayers shall contribute equitably to the public purse. It is not valuation for sale, loaning, investment or appraisal purposes.

So far as taxation is concerned it is immaterial whether assessment values are above or below market value so long as they are equitable between taxpayers. The mill rate is the component balancing factor.

In the market value approach to assessment representative sales are used as an index of the level of values, and assessments are made by comparison of individual properties with the standards selected as representative sales.

The market value approach has real merit in theory in that it begins on the firm ground that sales or market value is the only objectively determined value and is, therefore, free from arbitrary opinion or judgment. The level of value is one which has been weighted and determined by actual buyers and sellers in the market and there is no attempt to begin with or to arrive at an arbitrarily selected level of values.

While this approach has real justification in theory it is subject to a number of limitations in its practical application which make it unsuited to the purpose of tax base determination in Manitoba. It is practicable only when the land market is reasonably active and there is a sizeable turnover in ownership of property. In Manitoba land markets have undergone extreme fluctuations between excessively active or boom periods and seriously stagnant or depression periods. To select a certain base period as representative of a long-time average level of market value incurs the risk of wide error. Moreover, depressions in the land market have often been so severe as to make it impossible to select satisfactorily representative sales values from the limited sales record.

The success of the market value approach is also dependent upon the proper interpretation and selection of representative sales or market values. Sales of properties differ widely in respect to the nature of the properties, the circumstances and terms of sale and the nature of the buyers and sellers. While a representative sale may be defined as a contract between a willing buyer and a willing seller between whom no special arrangement or relationship is known to exist, no sales are entirely free from specific circumstances which are not known to an outside observer.

A further limitation to the market value approach lies in the practical application of representative sales values to individual assessments. The selection of specific properties as representative sales does not guard against errors in comparing properties to be assessed with the standards selected. Variations between individual properties are innumerable. These differences are not easily recognized and their importance is almost impossible to gauge with any degree of accuracy. A technique which depends upon individual judgment in the comparison of specific properties with established standard properties is open to a wide range of error.

I submit that market value or a percentage thereof is an unsatisfactory assessment principle for the following reasons.

Actual sales represent only a small fraction of the total number of properties involved, perhaps 10% or in some communities there may be no sales.

An assessor cannot with any degree of accuracy determine the market value of the other 90% which have not changed ownership.

If an assessor is required to use actual market value or a percentage thereof, how can he at the same time arrive at equal and uniform values when similar properties have actually sold at different prices for no apparent reason.

If market value is strictly followed uniformity and equality is in danger of being ignored.

The Supreme Court of the United States has laid it down that when you are faced with conflicting laws which require equality and laws which require property to be assessed at market value or words of similar meaning that if one principle is to be sacrificed equality cannot be but remains the test of fair and legal assessment.

Equality and uniformity is not possible under a system which requires similar properties if sold at different prices to be assessed for tax purposes at different values.

Even if market value could be successfully established it would be uncommercially unsound from an administrative standpoint.

It would require an annual revaluation because of market fluctuations. A revaluation of each property each year would be expensive and burdensome.

There are other basic reasons why market value or a percentage thereof should not be used in evaluating property for assessment purposes.

These affect the financial stability of the municipality, its credit rating and perhaps its solvency.

You know what happens to market values in a depression. If assessments follow suit it may be difficult for municipalities to raise even necessary revenues. Then in inflationary periods with wages and costs pyramiding taxes must follow suit. Indebtedness incurred in an inflationary period which has to be paid with depression dollars poses real problems in municipal finance.

We believe that in this province we have evolved a sounder approach to assessing.

Basically so far as land assessment is concerned we are endeavoring over a period of approximately twenty-five years to determine the productivity of various types of land.

As regards buildings we have determined average costs of construction over a period which irons out temporary fluctuations in costs.

In other words we are determining an average economic basis for assessment.

This does not mean that once this job is done that we are through with the job of equalization.

Equalization is a continuous job as changing conditions and use of properties must be considered if equalization is to remain. Community developments may occur, blighted areas may develop and the periodical application of depreciation is an important factor.

Such a procedure as I have briefly outlined established by scientific analysis a predetermined tax base that is designed to be low enough to provide a maximum of protection to municipalities in an inflatory period and high enough to provide a maximum of aid to municipalities in a depression period. It also provides a method by which equality and uniformity can be maintained without an annual and expensive revaluation.

It will provide municipalities with a dependable base on which to build a sound tax structure that will not change with fluctuating market values.

I have stressed these principles of assessment as fundamental because I believe it is along these lines we can build a stronger and more equitable basis for municipal government than we have had heretofore.

IV. Modernization of Municipal Organization and Administration.

I do not intend to elaborate my fourth fundamental concept, but only to outline it.

In government as in life we do not stand still, we either go forward or back. If your administration is not living it will die. What was good and useful in municipal organization and administration fifty years ago is not necessarily satisfactory now.

Conditions are changing rapidly, economically, scientifically and

socially. Municipalities are now in big business and must conduct their affairs accordingly. Communications and transportation have created a new world.

Municipalities are concerned in many activities today of which they never dreamed fifty years ago.

The difficulties and the pros and cons of local government reorganization have been dealt with in the Provincial-Municipal Report and need not be repeated here. The vitally important thing is that the municipalities now have the ball, are you going to make yards through the line of selfish prejudice, or are you going to fumble and lose the ball. Mr. Bole, a member of the committee, will discuss these matters Friday morning during this course. The President of the Secretary-Treasurers' Association, Mr. Byars, will discuss with you the modernization of your office routines and procedures. Both these matters were included in the course because of their vital importance.

Just a word on community planning. Canada is developing rapidly as a nation. In some degree all municipalities will share in this development. Many municipalities would be well advised to now consider some planning for their communities, because if it is left till later it will be more difficult to obtain satisfactory results and more costly than if done now.

As municipal activities become more technical if you have cases where technical advice is advisable or necessary, it is better to obtain such advice and pay for it rather than make an error which will involve the municipality in much greater costs.

V. Finance.

In any discussion with municipal people I could not entirely pass up the subject of finance without a comment. Most of my views, I think you know, and they need not be repeated here. There are, however, two fundamental points that I think I should draw to your attention.

Governments are the only institutions in business that ordinarily have no capital or reserves. Originally they were supposed to do two things. Budget for current expenditures and borrow for capital purposes. Because of high interest rates and under certain conditions inability to borrow at all, the idea was evolved that it would be good business to establish some cash reserves, hence the enactment of section 629.

I quite often come across instances where municipalities because they had reserves can borrow money at approximately 1%, when they used to pay five or six, and recently a couple of instances where the municipalities were faced with heavy capital expenditures they paid the liability in cash and made 5% for their ratepayers, instead of paying it to some investment syndicate. In both cases these reserves are being replaced by levies because the municipalities concerned appreciate the value of having such reserves.

You budget for current expenditures and the time has come when you should give thought to budgeting for capital purposes. By planning to raise money in advance for heavy capital outlays you may be able to obtain public improvements which would otherwise be beyond the ability of your municipality to finance through investment channels.

Incidentally in the future when you require validation of rate by-laws we are going to insist that you use the prescribed forms of rate by-laws with schedules and record of estimates.

VI. Sense of Responsibility

We are all prone to suffer from a very human frailty. If we are faced with a difficult problem we try to duck it. If we have to make a decision which we fear may be unpopular there is a tendency to try to pass the buck to some one else, to some other municipality or to the Provincial or Federal government.

When you took office, whether you then realized it or not, you assumed certain responsibilities. I receive far too many communications from individuals who claim they can't get a decision from their council about some matter that is within the council's jurisdiction. If you do not measure up to your responsibilities they may be taken away from you.

I am also convinced that in the long run you will be more respected and fare better at the next election if you practice saying "yes" or "no", and give your reasons for your answer. You may antagonize a few, but the majority will respect and support you.

When you were appointed an official of the municipality or elected as a member of council you made and subscribed a declaration to the following effect -

I, A.B., do solemnly promise and declare that I will truly, faithfully and impartially to the best of my knowledge and ability, execute the office of (insert the name of the office) to which I have been elected (or appointed) in the city (town, village, rural municipality or municipal district) of _____; and that I have not received and will not receive any payment or reward, or promise of such, for the exercise of any partiality or malversation or other undue execution of such office, and (in case of mayor, reeve, alderman or councillor) that I have not, by myself or partner, either directly or indirectly, any interest in any contract with or on behalf of the corporation.

We boast that we have responsible government. It can only be so if every official and every elected member assumes his responsibility.

VII. Importance of Functions of Council.

Finally I am going to urge more formality and decorum in the conduct of council business. While I am not referring specifically to a sash, robes or chain of office, there is some virtue in these outward manifestations of the prestige and importance of the functions councils perform. Order and dignity are, however, absolutely essential.

How can you expect your electors to have much respect for or interest in local government if the municipal office is not efficient and businesslike, or if

council meetings are occasions for petty bickering between councillors, rather than formal, dignified, intelligent procedures.

An adequate procedure by-law and observance and the enforcement of rules of order and debate will do much to create respect for and interest in local government.

No doubt you were thrilled with the beauty of the ritual and pageantry of the coronation. The time, effort and expense that was put into the coronation was not for the purpose of producing a spectacle. The British people have a keen insight into the workings of human nature and realize that the principles of responsible democratic government can be better brought home to minds and hearts of men by pageantry and ritual rather than by the dry words of a statute or the tenets of a philosophy of government. I suggest that it does no harm to remember this principle in carrying out the functions of local government.

It was no accident that Her Majesty, Queen Elizabeth in her coronation message to her peoples this month used the following words.

"Therefore, I am sure that this, my coronation, is not a symbol of a power and a splendor that are gone but a declaration of our hopes for the future.

Parliamentary institutions, with their free speech and respect for the rights of minorities, and the inspiration of a broad tolerance in thought and its expression - all this we conceive to be a precious part of our way of life and outlook.

I ask you now to cherish them - and to practice them, too. Then we can go forward together in peace, seeking justice and freedom for all men.'

THE PROVINCIAL-MUNICIPAL REPORT

by

PROFESSOR R.C. BELLAN

Broadly speaking, the Provincial-Municipal Committee, which presented its report early this year, concerned itself with two main issues. One was the financial difficulties currently being faced by municipalities, and the other was whether it would be advisable to enlarge school districts and municipalities by grouping existing ones into larger units. Both of these problems appear relatively simple on the surface, but fuller consideration reveals a great many hidden difficulties and complexities which must be allowed for in any reasonable solution.

The first problem - the need for improving municipal finances, involves a number of fundamental and important principles of government. Generally speaking all government services are aimed to benefit the people; our governments build roads and bridges, schools and hospitals, maintain courts of justice, police and armed forces for national defence; in addition our governments provide special assistance to those citizens who are in distress for one reason or another, whether because they are old, sick, poor, or unemployed. There are private charitable organizations which perform a great deal of useful work to aid the distressed, but in modern times governments carry by far the largest load. And of course in order to provide these various services to the public, the government requires money - to buy necessary materials and to pay salaries - and this money must be raised through taxation of the public in some manner or other.

We have in Canada three different levels of government, each designed to deal with different aspects of our public affairs. When the citizens decide that they would like their government to provide some particular service, they must also decide which government shall be charged with the responsibility of providing it: - the Federal, Provincial or Municipal. In this connection the major consideration to be taken into account is efficiency of performance. Which level of government can provide the service most efficiently will depend on the nature of the service. If it is desired to provide an absolutely uniform service right across the country, with no variations whatever from the set standard, then it would be desirable to have the program administered by Federal officials. On the other hand if it is felt that the need for the service varies greatly from one individual to another and from one locality to another, then it would be best to have the program handled by local men who are familiar with the local situation and can make desirable adjustments to suit local needs.

It is through common-sense reasoning such as this that we have arrived at our present allocation of responsibilities among the three levels of government, under which the Federal Government is held responsible for such matters as National Defence, the Postal Service, Family Allowances; provincial govern-

ments are responsible for such matters as roads and highways, labor, the administration of the law; and municipal governments are responsible for local improvements, fire and police protection, social welfare, and the financing of education. It is not always possible to establish clear-cut lines of demarcation; in the administration of some public services, two and sometimes all three governments participate. Thus both provincial and municipal governments share in the administration of our educational system, while the federal, provincial and municipal governments all provide social welfare services.

No matter which government assumes responsibility for a public service the cost will be borne by the public. For the public pays the various taxes which support all three levels of government. The taxpayer enjoys no net gain when responsibility for some service is transferred from one level of government to another; he will as a result of such a transfer pay less taxes to one government, but more taxes to another. His overall tax burden will not fall, and may even increase. This will in fact certainly happen when the responsibility is transferred from that level of government which is best fitted to handle the job, to another level of government which will handle the job less efficiently. The cost is bound to go up and so therefore are the taxes.

It would be shortsighted for instance to assist the municipalities by taking away from them responsibilities which they are best qualified to administer, and handing these over to federal or provincial departments which would do the job less efficiently, and at higher cost. Our municipal taxes might fall, but our federal or provincial taxes would rise by more than the reduction in municipal taxes, and we would find in the long run that we were worse off than before. That is why in our own interests we must ensure that each level of government concentrates on doing only those jobs for which it is best suited, and that one level of government should not be made responsible for a service which is best handled by another. Any such uneconomical shift of responsibility will only create fresh problems which in due course will prove more troublesome than the original problems we were trying to solve.

Having determined what services each level of government is to administer, the next step is to ensure that each government has sufficient money to finance its responsibilities. We have tried to arrange this in Canada by allocating certain tax fields to each kind of government; the Federal government collects the sales tax, income tax, corporation profits tax, succession duties and customs duties, provincial governments collect gasoline taxes, vehicle license fees, amusement taxes and liquor profits, which are in effect a tax on liquor; municipalities obtain practically all of their tax revenues from taxation of the real property located within their boundaries. On examination it will be noted that the taxes collected by each level of government are generally those which it is in the best position to collect, thus the municipality is obviously best qualified to levy and collect property taxes, the province is best qualified to levy license fees and amusement taxes, while the Federal government is in the best position to collect corporation profits taxes, income taxes, the sales tax and so on. Our system of taxation is by no means ideal in this regard, but we have effected substantial improvements in recent years. Thus until recently most provincial governments were levying corporation profits taxes and succession duties, and some were levying income taxes as well. They were not really in a good position to levy these taxes equitably and efficiently, and furthermore their taxes in these fields duplicated the taxes levied by the Federal government. The Tax-Rental Agreements signed between the Federal government and all the provinces, except Quebec,

have now fortunately eliminated this duplication and inefficiency.

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Thus the general objective of the Canadian constitution has been to allocate to each level of government those responsibilities which it was best qualified to administer, and to allocate also to each level of government those taxes which it could collect most efficiently and conveniently. Obviously such an arrangement gives rise to the possibility that some governments will not be able to raise from their tax resources all the revenue which they require to meet the responsibilities placed upon them, while other governments might have more revenue than they require. From the very beginning the tax revenues available to the provincial governments were insufficient to meet their needs, and the Federal government adopted the practice of giving cash subsidies to the provinces in order to enable them to meet their commitments. Municipalities as well have generally been unable to finance all their responsibilities from their tax sources, and have always depended on financial grants from their respective provincial governments to make up the deficiencies. Of course any arrangements made, however satisfactory at the time, are bound to become obsolete with the passage of time and changing circumstances. Because of the general inflationary pressure of the last few years and the sharply increased demands for municipal services, the municipalities of Manitoba - like those in all provinces - have been experiencing very great financial strain and therefore demanded that the provincial government give them more assistance than it has done in the past. The Provincial-Municipal Committee was organized primarily to ascertain just how municipal costs had increased and how much additional assistance the province ought now to provide to them.

One important decision which the Committee had to make concerned the form in which the increased aid should be given, for three alternative methods were available. Firstly the province might ease municipal burdens by taking over some of the municipalities' responsibilities. We have already observed however that this would not be a satisfactory solution, since it would mean that these responsibilities would be less efficiently administered, because provincial officials would not have the required familiarity with the local scene, and would not be able to adjust their procedures in a flexible manner to suit each local situation. Costs would certainly go up, and the citizens of Manitoba would therefore ultimately be paying more taxes for the same services.

The second course of action would be for the province to allot more sources of revenue to the municipalities, thus enabling them to raise the additional funds they required. But this solution would not be satisfactory either. It would mean that municipalities would be levying taxes which they were not well suited to levy, and this could result in inequities and high collection costs. In this regard it has been frequently suggested that the province should share some of its taxes - notably the gasoline tax and liquor profits - with the municipalities, but such a procedure would inevitably involve very complicated - and questionable - bookkeeping, besides possibly giving rise to an inappropriate distribution of revenue.

There is a third method by which the province might assist the municipalities, and this is the method which, quite rightly in my opinion, the province has chosen to adopt. By this method the province continues to administer only those responsibilities for which it is best fitted, while the municipality remains responsible for all those services which are best handled at the municipal level. Furthermore the province levies all those taxes which are most conveniently collected on a provincial basis, while the municipalities

levy only those taxes which they can collect conveniently and efficiently. Since however the tax resources of the municipality would be inadequate for its needs the province would make financial grants to cover the deficiency. Under such an arrangement each level of government only does the work it is best fitted to do, and only levies those taxes it is best qualified to collect.

Another decision which had to be made was whether such provincial grants should be distributed equally to all municipalities - on say a per capita basis, - or whether poorer municipalities should be given proportionately more. In this regard the provincial government has always adhered to the principle of fiscal need, that is, of giving extra assistance to the less wealthy municipalities; the citizens of this province have always considered this the fair and reasonable thing to do. Once the decision is made however to give extra help to less wealthy municipalities, it becomes necessary to establish some standard by which to judge which municipalities are wealthy and which are not. The procedure followed in Manitoba has always been to adjudge the wealth of a municipality by its real property assessment. While this is an obvious and reasonable basis whereby to judge the financial need of municipalities, it has not been too reliable an indicator in the past owing to the fact that each municipality had carried out its own assessment. There has consequently been no uniformity in assessment procedure, with the result that the same amount of real property might bear different assessments in different municipalities. The Equalization Board has done an excellent job of putting assessment figures on a comparable basis, but the real need has been for a single assessor who would carry out an assessment of the whole province according to one standard. Fortunately such a work is in progress now and should be completed within a few years; one recommendation of the Provincial-Municipal Committee was that the Provincial Assessor who is doing this job, be given additional staff in order to make possible completion at an earlier date.

Another decision which had to be made was whether the province should grant lump sums to the municipalities which they might spend in any way they saw fit, or whether assistance should take the form of grants earmarked for specific purposes. The province has always followed the latter procedure, making specific grants toward education, road construction, welfare costs and so on. Of these grants, the largest by far has always been the education grant to school districts, and of the \$3.7 millions of additional money which the report recommended the province to pay out, some \$2.4 millions is in the form of an increase in the education grant. Because of its size and importance the education grant has been used by the province as the means of carrying out its policy of giving extra aid to less wealthy municipalities. While all the other grants are distributed on a more or less uniform basis, without regard to the fiscal need of the recipient municipalities, the education grant is adjusted on the basis of the assessment per schoolroom in each school district, with school districts having a low assessment per room receiving larger grants.

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The other major issue with which the Provincial-Municipal Committee concerned itself was the size of local government units, with special reference to the Greater Winnipeg area, and to rural municipalities. A Sub-committee which studied the situation in Greater Winnipeg, recommended that the city and all the suburbs combine to set up a Metropolitan Board which would have complete jurisdiction over all services which were of concern to more than one municipality, and which required coordinated action. The Sub-committee considered

however that a complete amalgamation of all the municipalities would be undesirable; under the arrangement proposed by the Sub-committee the city and the suburban municipalities would continue to operate their own school systems, fire and police departments, and look after some local improvements. The Metropolitan Board would control zoning, the layout of streets, sewers and water lines, the construction of bridges and any other matters which required co-ordinated action.

While the Sub-committee recommended against complete amalgamation into one city, it did point out that several of the existing suburban municipalities were too small to operate independently and efficiently, and considered that where several small suburbs adjoined one another they might be grouped together to form a single municipality, with beneficial results. The Sub-committee recommended that studies be undertaken of the feasibility of such amalgamations, and suggested three possible amalgamations which were specially worthy of consideration.

Another Sub-committee considered the problems of rural areas. It concluded that many existing municipalities were too small for present day conditions; they had been organized years ago when means of communication were poor, and it was impossible to administer public affairs effectively over a large area. Nowadays however, thanks to the telephone and automobile, it is possible to carry out effective administration over much larger areas, while at the same time larger municipalities are able to provide better service to their people. Large municipalities for instance can afford to buy the largest and most efficient equipment for road construction and maintenance; they can hire superior staff and use their staff more effectively. The Sub-committee considered that under modern conditions in Manitoba, a rural municipality should include 15 to 18 townships, with 300 to 400 thousand taxable acres, and a population up to 6000 persons.

On the other hand several members of the Provincial-Municipal Committee as a whole, while conceding the arguments in favor of larger rural municipalities, pointed out that there would be considerable opposition at the present time to any attempts to group rural municipalities into larger units, and suggested that it might be advisable to wait until the people were prepared to accept a re-organization, rather than to impose it on them.

In respect to education the rural Sub-committee recommended that each rural municipality be considered as a single school district, and that any unincorporated villages or towns within the area be included in the school district. This school district would have its board, which would assume full responsibility for secondary education throughout the entire area, and would supervise the administration and financing of primary schools in the area covered. The existing local school boards would continue to be responsible however for the location of primary schools, teacher selection, and other matters of primarily local concern.

The above are some of the highlights of the Provincial-Municipal Committee's report. It remains only to add my own belief that the Committee did an excellent job. Here was a case of public-spirited men who had a great deal of experience and familiarity with the situation getting together to figure out how they might best deal with their common problems, and working out solutions that were sane, reasonable and realistic. It was a splendid demonstration of democracy in action.

THE IMPLICATIONS OF THE WELFARE STATE: ECONOMIC, SOCIAL, AND POLITICAL

by

MR. H.C. PENTLAND

Your program indicates that you have already discussed many practical and immediate aspects of welfare, and will discuss more of them. The topic which I have been given - The Implications of the Welfare State - may appear remote in comparison, and intangible or even nebulous. Yet the questions behind my pretentious title are fundamental: What are the main historical and philosophical trends of our time, with which our day-to-day activities will have to fit? Can or should these trends be reversed? The problem is to orient ourselves in a complicated and changing world. I hope that my remarks, and still more, your discussion, will assist with that orientation.

The term "Welfare State" has come into use since about the end of the Second World War. It has been used chiefly by opponents of the Welfare State, as a term of derision, and also to suggest novelty. Yet, in fact, nearly all societies have been welfare states: that is, they have intervened in economic and social affairs through the agency of government with the object of improving the general welfare. A major exception was Great Britain in the nineteenth century, which swept away many economic controls, and subsidies to particular industries, as well as the state system of poor relief descended from the Elizabethan Poor Law. But even nineteenth-century Britain limited hours of work in factories, required safety devices in mines, set up codes of sanitation to protect health, and provided for free compulsory education.

Yet it is true that our times exhibit a profound difference from the nineteenth century, not so much as yet in what we do, as in the climate of public attitudes and opinions. In the last century the influential people, at least, were inclined to say that governments should not intervene in economic or social affairs until it had been demonstrated that there was a clear advantage in their doing so. The cases for which intervention was advantageous were held to be exceptional. Today, on the other hand, the great majority of citizens everywhere believe that governments should intervene to raise the general welfare. If there is some matter in which governments should not intervene, this is the exception, and the advantage of not intervening must be demonstrated. The trend towards intervention has proceeded along three lines. First, there has been a movement towards comprehensive "Cradle to the Grave" systems of social security against the various risks that threaten individuals through no fault of their own. Secondly, since the 1930's, there is the demand that governments ensure a high level of employment through appropriate fiscal and monetary policies. Thirdly, there is everywhere an immense amount and variety of government assistance to parts of the society that are alleged to be weak or handicapped, on the general ground of welfare. In the United States - I select that country because many speeches against the Welfare State emanate from it - there is the Tennessee Valley Authority for the South, water control and rural electrification for the West, parity prices for the farmers, credit

and many other services for the businessmen, subsidies for the ship-owners; and there was, till recently, price controls for the consumers. Every other country exhibits similar phenomena. They are the products of a general demand that governments shall transform societies, particularly in the direction of greater equality - equality of opportunity, and equality in fact.

There are some opponents of the Welfare State, few but influential. There also is a case against the Welfare State which I should like to state shortly. But what is chiefly heard these days are the voices of men who believe thoroughly in the welfare State, but attack some forms of it. In particular, supporters of the American Welfare State, operated chiefly for the benefit of businessmen, farmers, and veterans, are wont to attack the British Welfare State, operated chiefly for the benefit of workmen. Attacks which purport to be on the welfare State in general, but are really directed against a particular form of it, necessarily involve some confusion and some false issues. It will clear the ground to deal with the principles of the welfare State, if we dispose of some of these false issues now.

Some False Issues - Attacks on the welfare State seek just now to capitalize on the high level of government expenditures everywhere, and the correspondingly high taxes which antagonize the citizens who must pay them. But it simply is not true that most of this money goes for social welfare - which, indeed, has as yet been little provided for in Canada. On the contrary, the money goes for war: present war, past wars, and preparation for future wars. A more appropriate name for the state in which we live than "Welfare State" would be "War State" or "Defence State"; and if you think the expenditure is excessive, the proper field in which to argue your view is not welfare, but foreign policy. A great trouble with payments on account of war is that we can rarely have anything tangible, any goods and services, to show for them, and so the payments bear painfully upon us.

I have calculated back to 1926 the proportion which welfare expenditures bear to total governmental expenditure, and to the National Income (Gross National Product), and have been surprised to find how very little welfare expenditure has risen over that period. For the past few years, welfare payments have made up about 20% of the total expenditure of the federal government, and of all Canadian governments, and they constituted about 5% of our National Income. Expenditure for past, present, and future wars, on the other hand, took last year over 50% of all federal expenditure, and about 11% of the National Income. The amounts spent on welfare in recent years, measured either in terms of total governmental expenditure or of National Income, have run well below the proportions we spent in the mid-thirties. The same is true, incidentally, of the United States, where also welfare expenditures are far exceeded by war expenditures. What may give the impression that welfare spending has increased recently is that this form of expenditure fell to very low levels during the war years; so low, indeed, that the proportion of governmental expenditure devoted to welfare was twice as much away back in the 1920's, as in those years; though the proportion of National Income then used for welfare was slightly smaller. It is plain that, so far as social welfare spending is concerned, we have not much more of a Welfare State now than we had thirty years ago. Indeed, the only striking program of welfare activities in this province was introduced by the Morris Government near the end of the First World War.

A second false argument is that expenditure for welfare is, like

expenditure for war, wasted from the viewpoint of returning goods and services. For some individuals, especially wealthy ones, the returns may be much less than the costs. But for society as a whole, the dividends in healthier children, illness and accident avoided, disabilities overcome, employment maintained, are immense, and do find their reflection in higher levels of output.

A third false argument is that the economy cannot afford much social security. This may be true in very primitive economies. The Eskimos and Indians had sometimes to abandon their old people, because there was not enough food for all to survive. In much of Asia, it is a nice question whether welfare expenditure to relieve distress is worth-while; for if people are kept alive this year, population presses harder on the food supply, and more will die next year. Perhaps all available resources should be used to improve productive equipment, so that a larger population may survive permanently in the future. But these considerations have no application here. It is thoroughly unrealistic to suggest that a country so rich as Canada cannot afford to relieve all her people of want.

The Alternative to the Welfare State - Nevertheless, there is a case against the Welfare State; or rather, a theoretical alternative to it. When Mr. Arthur Meighen declares that he detests the Welfare State, not because he opposes welfare, but because he is in favor of it, I am sure that he is sincere. The alternative form of society which is claimed also to provide for welfare - even to offer the most possible welfare - is the anarchist uncontrolled economy operated solely by or through the price system, conceived in the eighteenth century, and put into a considerable degree of operation in English-speaking countries, and a few others, in the nineteenth. The study of the workings of an uncontrolled price system is an important part of Economics; though it is not true, as some seem to believe, either than economists give unqualified reverence to this kind of an economy, or that this is the only kind of economy they study

In the early nineteenth century, the uncontrolled price economy, in which every thing and every person was subject to and valued by the market, was hailed with an enthusiasm that is found today only among supporters of the Welfare State. What, then, did our ancestors see in it? Negatively, they saw a means to sweep away the worn-out barriers of feudalism. In the new world of market prices, every man would enjoy the novelty of choosing any calling he wished; and those successful in business would claim the social position previously denied them because they were not born gentlemen. Positively, the market system was a panacea for all ills. If supplies ran short, rising prices would invite enterprising people to dig new mines or plant new fields, whilst they rationed the limited supply to those in greatest need. Over-supply would lower prices, increase consumption, and drive the least efficient producers to other fields. Accumulated profits would be invested in new enterprises, the right proportion among investment outlets being maintained by relative profitability, and the right proportion between investment and consumption by the interest rate. Automatically, the system would reward efficiency and punish inefficiency. Every person would have the opportunity to win the success to which his talent entitled him, being perfectly free to seek another job or to start his own business. The industrious would do well, the lazy and incompetent would suffer their merited fate. Since all economic activity would be forced to the highest possible point of efficiency by the price system, government interference could only do harm. Governments would confine themselves to the protection of property and persons, and the enforcement of contracts. The

watchwords of this projected society were "Freedom" and "Equality". This is the welfare state of the nineteenth-century liberal.

The Case for the Twentieth-Century Welfare State - To state the logic of the nineteenth-century welfare state is to demonstrate how little people believe in it today, and how far it failed to realize its promise. The failures are a good part of the case for the twentieth-century Welfare State, though not the explanation for its rise.

Though the price system works very well in some cases, it works badly in others. As an example, high and low prices do not help much to increase or curtail the supply of and demand for wheat, because both supply and demand are governed by factors that respond little to price changes, and may respond in the wrong direction when they react at all. Adjustments, when they are made, are slow and difficult.

Again, the governor that was to keep the nineteenth-century welfare state in balance, competition, has never existed in sufficient degree to protect consumers and workmen, and to ensure efficiency and equality of opportunity, in the manner forecast. I do not know whether a world full of competition would really be very pleasant. But whatever chance of this there ever was, has been destroyed by the rise of standardized mass production, requiring very large producers, and therefore only a few of them.

Then, the nineteenth-century dream of Equality was made unrealizable by the accumulation, still more the inheritance, of great fortunes. Nor is it only wealth that is inherited, but education and influence, too. About 1830, it was realized that you could not have both Freedom and Equality in the liberal state, but must choose between them. This was an easy choice for the successful businessman. He chose Freedom - freedom, that is, for the business man. But the workman described this freedom, perhaps with some exaggeration, as the freedom to starve. For the farmer, it often meant the freedom to remain in poverty and debt.

Even if we must suffer great inequalities, we may believe that the good will flourish, the wicked perish, and that this is fair enough. But it certainly is not true now, if it ever was, that most citizens believe the rewards of this world to be proportionate to the merits of the recipients. If anything, the conviction is the other way round: that the wicked grow rich and the virtuous stay poor. Wealth acquired by inheritance, by fraud, and by luck, the importance of "influence" and "good connections", especially in the hierarchy of corporate society; the inconsistency that one fellow happens to get a good job or a good crop, while another draws a poor job or a poor crop; all these nourish the view that society is inequitable and should be made more equitable. So far has this view taken hold, I think, that we are in danger of under-estimating the effectiveness of inequalities of income as incentives, and of neglecting the salutary effects of purging an industry of inefficient producers, whether it is a capitalist or a government official who carries out the purge.

These are some of the reasons, then, that the nineteenth century dream of a welfare state faded, to be replaced by today's dreams of a different kind of Welfare State. This, too, may prove a disappointment to many. Perfection, absolute freedom, absolute equality, complete security, are not attainable in the nature of things. All we can hope for is more freedom, equality, and security, rather than less.

It may be thought that I am trying to answer, or that I should try to answer the question, "Is the twentieth-century welfare State a good thing? Is it to be preferred to the nineteenth-century welfare state?" Therefore I had better say, before closing this section, that I do not think it useful to ask this question, nor possible to answer it. Electoral contests between political parties, some supposed to be friendly and some antagonistic to the welfare State, may foster the impression that there really is a choice between the old and the new welfare states. Yet, this seems to me to be an illusion. What is really significant is that any party aspiring to office must preach welfare in the modern sense, and practice it too; that events force governments to intervene repeatedly in economic and social affairs, whatever their own theories and desires. I conclude, therefore, that it is no more useful to ask whether the Welfare State is a good thing than whether the tides are a good thing; nor more helpful to ask if the Welfare State should be encouraged than whether gravity should be encouraged. I think the welfare State is coming - though it can hardly be said to have arrived in Canada - and that we are wasting our time if we try to stop it.

The Forces behind the welfare State - Let us turn now to ask why we live in an age of extending governmental activity oriented to welfare. I have seen many answers: the blame has been put on the French Revolution, the Russian Revolution, on war, depression, democracy, communism, and industrialism. All these things, and more, have some connection with the welfare State. I should like to suggest some other factors, however, which I believe to be more fundamental.

First, let us get our question straight. The best question is not, "Why in this twentieth century is there increasing government intervention?", because a high degree of social control and income redistribution has been the normal arrangement through most of man's history, and it could be answered that we are merely reverting to our usual form. The anomalous, peculiar period was the nineteenth century. Scarcely anything like it can be found in history. The really interesting question is, "Why did the nineteenth century depend so much on the price system, limited government activity, and every man for himself?"

If you enquire what was different about the nineteenth century you will find two things. One is an extraordinarily rapid rate of population growth. The other is a rapid - indeed, reckless and wasteful - use of hitherto unused natural resources. New techniques also were required to exploit these new resources, but I think their development was more of an effect than a cause.

The extensive use of new supplies of natural resources, particularly when there was no thought of conserving any for the requirements of posterity, meant that it was possible to have a rising standard of living for a rapidly growing population. It meant also expansion, the settlement of new areas, the growth of cities, and the making of quick fortunes. This is not a situation in which governments are likely to spread their power and adapt their activities as quickly as ordinary people move. Nor are these the conditions in which men are very concerned to have governmental power extended. Those who do not want government to interfere with their success are likely to be more influential than those who want government to mitigate their failure.

The other factor I mentioned is rapid population growth, and I think it explains rather more. People are the most valuable resource, the least-replaceable capital, the most complicated and productive machines, that have

ever existed. But what is the attitude when there are any number of people, when the fear is not that they will be too few, but that a torrent of babies will engulf us, will eat us out of house and home, when people are almost what an economist calls, "a free good"? You can find such conditions today, as in India, where the great threat to every project for improvement is that the population will grow faster. In these circumstances, man's attitude to man is likely to become, perhaps not callous, but practical. With so many people, no one worries about maintaining the production of them, or of looking after them when they pass working age. If millions die in infancy, or illness, or premature old age, that is perhaps a blessing from the social point of view, for is there good reason for employers to pay members of an inexhaustible working class more than a subsistence wage. The situation is much like the one that would face a farmer if cattle insisted upon breeding at an astronomical rate, and he could have as many as he wanted to milk without any other cost than their daily hay. What farmer then would worry for the dying calf, the sick cow, or the one too old for milking? Why would anyone in authority be concerned about social welfare, except perhaps for fear of revolution? The wonder is not that the nineteenth century accepted a law of the jungle, but that so much humanity survived.

If we consider, with this background, how differently we are situated in the twentieth century, the Welfare State becomes more meaningful. Babies, once many and unwanted, are now few and precious. The ill, the disabled, the old, the unemployed - formerly an undesired surplus that would be better out of the way - are now a valuable reserve of scarce manpower. Private enterprise tried to exhaust the world's natural resources in a one-century binge. Now society, through the agency of government, must try to conserve what is left, restore what can be restored, develop marginal supplies that do not promise big profits, prevent wastefully competitive investments even though firms want to make them, and in general, manage society's affairs more carefully. The tasks of government are accentuated in countries straining to catch up with more advanced neighbors, or to protect their raw materials from rapid exhaustion by those neighbors; for in general, governments are the only agencies capable of taking the effective action demanded by the citizens.

The Implications of the Welfare State - Finally, if the Welfare State is to be our portion, whether we like it or not, what are the implications, "Economic, Social, and Political"?

First, a warning against discounting entirely the importance which economists and nineteenth-century liberals have attached to the price system. There really are, and will continue to be, economic forces more powerful than governments, which cannot be ignored with safety, though they can often be controlled and channelled if intelligence is applied. I do not refer only to those simple economic axioms: that you cannot have your cake and eat it too, you cannot use the same resources for consumption and investment, for consumption and war; though illusions that these things are possible, arising out of money mirages, are painfully hard to break. Just as vital are the facts that governments cannot force prices up when supplies are plentiful, or force them down when supplies are short, or get goods produced at low prices, just by saying so. All these things can be done, but only by exerting pressure within the rules of the price system, by taking goods off the market, or rationing, or subsidies, and by meeting the costs of these. It was a prevalent error in the 1930's that the price system is perfect and all-powerful, and that government intervention is necessarily useless and pernicious, in face of clear evidence

to the contrary. I fear that a standard error of the present generation may be that governments can do anything, and that economic forces are of no consequence. If you can combat that error, you may help Canada to avoid costly mistakes.

Secondly, I think that in the new society of elaborate government intervention, political pressures will count for more, and direct economic pressures for less. Particularly will this be so if governments insist upon determining the wages and working conditions of labor. Business men have always been alert to exert group pressure on governments. In recent decades, farmers have formed solid pressure groups, to secure price supports and other forms of social security which they desire. But up to now, in Canada, the most numerous element in society - the wage-earners - have been next to impotent politically. With labor split into several congresses, and apathetic to political parties, it has been apparent to all that no labor leader can deliver a labor vote, and that political leaders need make few concessions to labor. The reason for this, I think, is that the Canadian workingman has believed up to now that the important things are got by direct economic pressure, and that politics do not matter much. But as soon as you remove the power to exert direct economic pressure, as soon as wage-setting is clearly a political function, you will have the workingmen solidly in politics. They will dominate the state, and the Welfare State will become one primarily concerned about the wage-earner, with the emphasis on equality. But the workingman is not a bad fellow, and this may turn out to be a pleasant kind of state.

Thirdly, as society undertakes more obligations towards the individual, the individual will owe more obligations to society. If, under nineteenth-century anarchism, society owed nothing to the citizen, it was also true in theory, and nearly so in practice, that the individual owed nothing to others. But as society guarantees employment and education and health, it will also have to demand from the individual, good work, devotion to study, and personal cleanliness.

And last, the Welfare State will have a great deal of decentralization, an important place for local administrators like yourselves. Your functions may change, but you are likely to get more new ones than you lose old ones. You may consider this far-fetched, if you have been raised on the view that decentralization is only possible under the price system, and that increasing government intervention means centralization and the atrophy of local government. Consider, however, that the price system itself has involved enormous centralization, in London, and Wall Street, and corporation head offices. Consider that decentralization rests less on principle than on the sheer impossibility of regulating everything from the centre; that the same increasing complexity of society that makes central co-ordination seem essential, also makes decentralization more urgent. Have you ever mused on the monstrous problems of those at the centre - say, the members of the Soviet Planning Bureau? They can co-ordinate an over-all plan, but they depend upon hundreds of thousands of local officials to provide them with information, to apply the plan intelligently in their neighborhood, and to carry it out. The more complex and centralized a society becomes, the more truly it is only as strong and coherent as its smallest parts. The more things to make decisions about, the more necessary that as many decisions as possible be made as far from the centre as possible. Local government, local activity, and local enterprise have a great future.

THE NEW RULES OF RESIDENCE

by

MISS M.B. McMURRAY

Relief is an ever present problem as well as a complex problem. It is extremely difficult to draft legislation that will adequately and fairly cover every case. For example, it is possible to pass legislation growing out of one case which the Municipality involved feels is an injustice. Under the same rule at some future date, that Municipality may be held responsible for five other families.

Then too, it is difficult to imagine all the sets of circumstances in which it may be necessary to find residence. For example, the old rules of residence provided that if the parents were separated from each other, the child took the place of the parent with whom he was living. How about the case where the parents are separated and the child is not living with either parent?

Then there is the problem of the abandoned child. Perhaps one thinks of an abandoned child as one left on the doorstep of some kindly individual or charitable organisation. What about the child for whom a parent pays board for weeks or months and then disappears and the child becomes a public charge?

The problem of the transient resident is a perennial sore spot to the municipalities. If a family has resided in a community for a number of years and had been good citizens before becoming a public charge, the Municipality accepts such a case with good grace. However, it would seem that the majority of people who seek relief are not responsible citizens whose residence has been more or less permanent in some municipality, but rather indigent transients some of whom may move from municipality to municipality and in a period of twenty-five years acquire no residence in any municipality. Under the former rules such transients could acquire residence in a municipality by being self-supporting therein for sixty days. Since such transients sometimes had very large families they proved a heavy burden on the municipality held responsible.

Under the new rules the policy of the Government has been to re-allocate much of the relief costs from the Municipality to the Province. It should be borne in mind however, that regardless of location, the burden is still carried by the taxpayer and therefore the importance of the municipalities including preventive social work in their respective programs cannot be over estimated. Pushing undesirable people about from municipality to municipality offers no solution.

Another social problem which must be faced realistically is responsibility for Indians who leave the federal reservation and acquire residence in a municipal corporation. In conference with representatives of the Federal Department of Indian Affairs I note a decided trend towards Indians in receipt of treaty leaving the reservation and taking up residence outside the reser-

vation. The Department of Indian Affairs takes the stand that those Indians who have gained residence in other municipalities or elsewhere in the province other than on Indian Reservations, are making a contribution through taxation to Provincial and Municipal revenues in the same manner as non-Indians, therefore, they would seem justified in making a claim on those financial resources designated for social welfare purposes when they are in need of such assistance. Indeed, if one views these trends with a long range point of view, it is not beyond the realm of possibility that the time may come when we may expect to absorb the Indian population into our school and municipal systems. In the meantime, the new Act places the responsibility for Indians who have not acquired municipal residence, on the Province.

There is also the question of responsibility for relief for the families of our peacetime army which now becomes a responsibility of the Province. Accordingly, under the new rules the Province becomes responsible for residents of Indian Reservations and Defence Camps, for transients and abandoned children.

One other vital change in the rules is that periods on relief constitute dead time but do not break continuous residence in a municipality. What this will mean in dollars and cents to the municipalities remains to be seen. My experience since the new Rules came into effect on June 1st indicates that recipients of relief tend to move about the Province as transients during periods of non-relief and the municipalities will be protected by the provision that, eliminating the relief periods there must still be 365 days of continuous residence in any one municipality.

I have outlined to you the policy of the new rules and the policy of the Government, and Mr. O'Brien representing the City of Winnipeg, which has the heaviest relief bill of any municipality in Manitoba, will outline to you in detail how the new Rules may be expected to affect a municipal corporation.

THE NEW RULES OF RESIDENCE

by

MR. G. V. O'BRIEN

In thinking over just what phase of the new residence rules might be reviewed this morning, it appeared likely that the paramount question in the minds of municipal officials would be whether changes from the old rules meant possible savings in dollars and cents, and whether they offered protection from future liability. We will, therefore, look at some of the new rules to see what the picture is in that respect.

Under old rule 1 (b), which was commonly known as the sixty-day residence clause, municipalities were often held liable for relief, hospitalization and even child care, when the person or family concerned had lived in the Municipality for just over two months. In the City of Winnipeg, a check of cases handled in 1952 indicated that the cost for this type of case alone was approximately \$30,000.00 for "relief" only, but many other municipalities were obliged to assume costs on a relative basis. We can recall one case wherein a transient harvester came to the province and worked around one municipality for some 76 days and on leaving, rode the freights and suffered an injury resulting in the loss of a leg. As a consequence there was a heavy hospital account, followed by a lengthy period of relief, pending his recuperation and rehabilitation, all of which was held to be the responsibility of the municipality concerned by virtue of the short period lived therein. Another example was a displaced person, who came to Canada in 1949, who has, by virtue of his movements, become the responsibility, for relief purposes, of two municipalities. The first account was \$608.20 and the second \$1,657.91, and in this instance, the residence was 76 days in the first municipality and 173 days in the second.

In future such cases will be recognized as the responsibility of the Government of Manitoba. A further expense was involved in connection with the sixty-day rule, when there was litigation over responsibility. I have personally attended court hearings where, on many occasions, three solicitors representing different municipalities were present; on some occasions where four municipalities were represented, but the prize case was one where no less than five were involved. With the abolition of this clause in the new residence regulations this difficulty will be overcome and should prove beneficial from a financial standpoint. Municipalities previously unaffected in this respect were fortunate, but there was always the possibility of them running into the expense involved in court actions. The possibility is apparent, however, that additional expense will be encountered by the Government who will undoubtedly require legal representation in almost every case. There will be instances where the Government may be concerned on the same day in cases being heard in Winnipeg, Portage and Brandon, for example, and it is obvious that even Miss McMurray, for all her known learning, will not be able to be in all places at the same time to avoid the hiring of additional legal help.

It will be further noted that the new rules allow for the acquiring of residence in defence camps or reserves, in which event, the liability falls on the Government of Manitoba, and municipalities in which such military establishments, Indian reserves or forest reserves are located need no longer be concerned with persons or families residing therein. In connection with cases of this kind, the cost for relief and hospital care over the past few years have reached an astounding figure. We will later refer to our experience in Winnipeg in connection with some of these cases who came to the City from such camps.

Under the new rules, a legal residence in a corporation means one continuous year lived therein in the three years under review and unless this requirement is met, responsibility will henceforth be accepted by the Government of Manitoba. The same acceptance of responsibility by the Government will apply in the case of a married woman living separate and apart from her husband for over three years, who has not gained such a residence in her own right and again, in the case of a person other than an adult, in other words a minor, who has been living separate from his parents for over three years, and who has not gained the necessary continuous one year's residence.

As a general rule, municipal corporations have come to recognize one year as being reasonable and where such a residence has been acquired normally feel some legitimate responsibility. However, it was difficult to look favourably upon payment of welfare or hospital costs on behalf of women or children who had been away from their municipality for years, but where, due to the husband being an inmate, for example, of a mental institution, the residence was frozen to the qualifications of the husband at the time he was admitted. We can cite two known cases of this type, one of which affected the City, and the other a town. A man who had residence in Winnipeg, went to the mental hospital at Selkirk in 1922. His wife remained in Winnipeg until 1932, when she moved away. Although the woman was self-supporting in general, apart from hospital accounts from time to time, and despite the fact that she remained in the one municipality, the City has continued to pay hospital costs right up to the present time. In another instance, a man having residence in an incorporated town went to the Ninette Sanatorium in March, 1935. His wife made several moves up to 1942, but has been in Winnipeg since, and apart from hospital care, has been able to pay her own way. In the first instance, the City has been responsible right along, despite an absence of twenty-one years, and, in the second case, the Town has been obliged to accept hospital costs for over eighteen years despite the fact that the woman has lived in Winnipeg for the past ten years. It will be obvious that in neither case was this a fair proposition and this is taken care of in the new rules, which outline that, when a woman has been separated from her husband for over three years due to his having been an inmate of a mental institution, gaol or sanatorium, her residence is established as if she were unmarried and minor children living with her take her residence.

The Government of Manitoba is furthermore accepting responsibility, under the new rules, for abandoned children, where the residence of the mother cannot be established. In many instances, the abandoned child has been born of an unmarried mother and under the old rules the child became a responsibility of the municipality in which it was found. This responsibility, in the case of an infant, could continue for some eighteen years and, taking into consideration all costs for its care, hospital charges, clothing and school costs, and the like, it is estimated that this would often run as high as \$12,000.00 to

\$15,000.00. We understand further that consideration is being given to increase the age limit to the child's twenty-first birthday, in which event, the cost would be proportionately more. Not every municipality may have been burdened by an abandoned child, but it is obvious that any might become so financially involved at any time. The acceptance of responsibility by the Government is, therefore, a real protection.

Another rule which had been amended and which might effect the establishment of legal residence is that of "temporary absence" as indicated in Rule 6 (a). The old rule was not specific, and in many instances was abused to the point that periods of many months were claimed to have been so-called visits and the like, which made it impossible to break up the residence in the Municipality from which they had departed. The new clause now definitely states that if a person is away for sixty one days or longer, it is not held to be a temporary absence and, therefore, could be considered an actual move as part of the three-year period under review, which might well prove of benefit to municipalities.

Lastly, we would draw to your attention that while the new rules were to come into effect on June 1st, 1953, there is also the provision that all cases on which residence was pending would be settled under the new regulations. At the end of May, we had some eighteen cases in which there appeared to be municipal liability for persons who had lived in defence camps located within the boundaries of municipalities: for example, North Cypress, South Cypress, Cornwallis and Daly, and the costs for relief only of such cases amounted to over \$3,500.00. The Government has knowingly allowed these cases to remain in dispute until the new rules became effective, and thereby have accepted responsibility for the accounts where the persons concerned had one year's residence in the camp, or otherwise were held to be a municipal liability under the sixty day clause, which has now been abolished. We have a further thirty or more cases still pending ruling and as a number of these are based on the sixty day clause they also will be paid for by the Government.

I would not personally want to go on record as suggesting that the new rules are perfect, but at this early date there is no evidence that they are going to prove prejudicial to some corporations, and a decision in this regard must await the test of time. In an over-all amending of rules of this kind, it is almost impossible to expect that they will be perfect, as the changing of any rule to fit a known set of circumstances may prove to be of little, if any, value when applied to a different case. However, in looking at the rules generally, it would appear that an earnest effort has been made to clarify the rules and a vote of thanks might well be directed to the Honorable Minister of Public Affairs, his capable staff; to members of the Provincial Municipal Committee dealing with this matter; and to members of the Cabinet. It is my further belief that consideration will be given to any necessary amendments if evidence of inequality or need for further clarification is presented to the Minister.

FUNCTIONS OF WELFARE AGENCIES
Department of Public Welfare
Family Bureau
Family Court
Children's Aid Societies

by

MR. K.O. MACHENZIE

May I begin by expressing appreciation to the Program Committee of this Extension Course, for providing this opportunity to meet with you municipal people.

In my opinion there is a lot of information and there are a good many questions about existing welfare services that should be shared between the welfare agencies on the one hand and local government on the other. To the extent that welfare agencies, on the one hand, can understand the responsibility, scope and limitations of municipalities and to the extent that municipalities, on the other hand, can understand what welfare agencies are trying to achieve, a good deal of friction and wasteful activity can be overcome. I hope that the material I will present this morning will assist in widening and deepening that understanding.

It might appear so at times, and I think it could be proved without difficulty, that on certain cases a lack of understanding or a misunderstanding exists on the part of either or both parties. This can result in a rather childish performance, with the welfare agency labelling the municipal officials as callous, hard-hearted, stingy or worse and the municipal officials labelling the welfare agency as soft-hearted, soft-headed, extravagant, wasteful and capricious. When the situation deteriorates to this point it is extremely difficult to examine sanely and quietly what is really required in the case and what would be the best solution to the problem.

Therefore, in this paper this morning I am going to try to do something to contribute to a further and wider understanding between welfare agencies and municipalities as to their aims, objectives and practices. I am quite aware that this is not a one-way street and I will certainly appreciate the opportunity, during the discussion period following this paper, of getting your point of view as to what can be done towards further improvement.

In the first place, I think this point should be made. Local government, as we have it in this country and province, and welfare agencies, both public and private, are part of our democratic way of life and find their origins in the work and aspirations of our forebears to evolve a democratic society. In discussing this point, it should be borne in mind that local government is older than the welfare agencies. It should also be pointed out that local government has, in its history, consistently sought out, encouraged and assisted in the creation and development of welfare agencies. I would like to give two or three

illustrations of this.

In the field of children's services, and particularly in the history of the creation of children's aid societies in Manitoba, there are many instances of municipalities supporting the organization of these societies. In actual fact most of the municipalities in Manitoba voluntarily support these quasi-public welfare agencies. In a number of instances municipal officials are active participating members of the boards of directors of these societies.

Two other illustrations will suffice to make the point.

On a number of occasions in the past the Union of Manitoba Municipalities passed resolutions requesting the Provincial Government and the Federal Government to assume much heavier and wider responsibility for providing assistance to elderly people than was the case at the time the resolution was passed. While I think it would be admitted that a considerable part of the motive behind such resolutions was to relieve municipalities of certain social service costs, I think it would also be readily admitted that a heavy part of the motivation sprang from a realization that the needs of old people should be more adequately met. The important point, however, is that the effect of these resolutions was principally to create, or strengthen, or make wider, the scope and function of such welfare agencies as our Old Age Assistance and Blind Persons' Pensions Board.

A third illustration is found in the continuous request from many municipalities over the years for the Provincial Government to widen and increase the scope of its Mothers' Allowances program. Again, the motives back of these requests were, I believe, similar to those which I have mentioned regarding elderly people. Nevertheless, the Provincial Government has increased and widened the scope of its Mothers' Allowances program and, to this extent, the municipalities have encouraged, assisted and contributed towards the creation and development of a public welfare agency.

I would like to review briefly what I have just said. I have pointed out that welfare agencies, voluntary and public, are, along with local government organization, a feature of our democratic society. By and large, especially in Manitoba, the organization of local government preceded the organization of welfare agencies. Perhaps we have looked at enough illustrations to show that local government has played no small part in creating and developing welfare agencies in this province.

Can we discover whether the aims and objectives of local government and welfare agencies are antagonistic or identical? If we can think this problem through and understand it perhaps we'll find a solid basis for agreement and joint action. Let's look at local government. Is not the task of our local government to encourage, foster and provide for a healthy community - a healthy community physically, socially and economically? In our democratic society everyone has an opportunity to share in the selection of that government by helping, through the ballot and various conventions, to choose the government. At the same time everyone has the responsibility according to his or her understanding to try to work for the community by being a part of the community's government. By and large our communities, organized in this way, provide for the health and well-being of their citizens in a way which citizens cannot do individually. Thus our local government is interested, not in schools as such, but in the education of our children; not in roads as such, but in good transportation facilities; not in hospitals or health units as such, but in the protection of ourselves from sickness and disease, not in economy or low

taxes as such, but in economically operated services whose return to the community overshadows the economic cost. When the costs of the services get so high that the well-being of the individuals in the community is affected, then the danger line is definitely crossed. Sound local government and real democratic local government, in fact all sound democratic government, is only so when it is interested in the well-being of the community and that means of all the citizens of the community. Now, let's look at welfare agencies. I believe we would agree that the function and objective of welfare agencies is to help people. As I see it, there is no basic conflict here whatsoever with the aims and objects of local government. In fact, the aims and objects of both parties are, in my opinion, identical.

It is when we get into the area of how we administer municipal services and how we administer welfare agencies that our questions really arise and where we need to have a lot more understanding and serious thought. I am sure you would all agree that the way welfare agencies help people should be one where the people helped, help themselves. In other words, a really sound welfare agency has rehabilitation of the individual as its goal. However, as municipal officials you will certainly recognize, along with welfare agencies, that a considerable part of the job of helping people is simply stretcher-bearing. Often, our first step in municipal relief or provincial welfare services is to meet human need where there is no other means of support. Here we carry forward such measures as assistance in cash and kind or institutional care for the indigent. It seems to me not too hard to realize that to help people in difficulties it is often necessary to first provide for their immediate physical needs for food, clothing and shelter. However, when we really help people to help themselves we must, in addition, work with them as individual people so that they will be brought along in developing and realizing their potentials for maintenance or, when self-support cannot be realized for maintenance of their self-respect. This latter kind of help is professional help to the extent that the people who are carrying it forward have consciously tried to learn, and continue to try to learn and share experiences, about how human beings grow and develop and about why individuals act as they do. I think I would point out that it is really only in the past ten years, particularly, that welfare agencies have set their sights on trying to recruit and develop professional staff members.

Perhaps we could try to place welfare services and democratic local government in national and world-wide perspective. As citizens of a democratic country we have, as our forefathers had, a vision of the dignity and the worth of the common man. Our common man is fighting in Korea and elsewhere today to preserve that vision and to attain the goals it portrays. Without any real undue hardship we invest billions of dollars to do this, to preserve, as we call it, the democratic way of life. It seems to me we are inconsistent and faint-hearted when we meet this common man in his "commoner" moments and are afraid lest we throw money away on him or deprave him by ministering to his needs.

Again, I think a little repetition is in order. Perhaps we can agree that the aims and objects of local government and welfare agencies are identical and that the function of welfare agencies is to help people, but to help people in such a way that they help themselves, recognizing that in this process a good many people have to be literally helped before they can come to the point of helping themselves, and making the further point that helping people in trouble requires professional skill and ability.

What I have said up to this point is simply a basis for speaking quite factually about some of the specific or particular functions of a number of welfare agencies who operate in our province alongside of, or supplementary to, the welfare, health and other programs of local government. The following outline of functions of each of these agencies is given to try to assist municipal officials in referring cases which come to their attention to the source where help can be obtained.

The welfare agencies whose services are most available and sought out by the residents of your municipalities are as follows.

1. The Public Welfare Division, Provincial Department of Health and Public Welfare.

This is the provincial welfare agency. Services are extended through a staff of social workers in offices located at Flin Flon, Swan River, Dauphin, Brandon, Portage la Prairie and Winnipeg.

The services in these offices include Mothers' Allowances, child welfare services, relief or Social Assistance in unorganized territory and probation services for the juvenile courts. In addition, the Public Welfare Division administers the Social Assistance Act. Further, through the Old Age and Blind Persons' Pensions Board, assistance programs are carried to the aged group 65 to 69 and to the blind. Furthermore, under the terms of the Child Welfare Act the Public Welfare Division is responsible for supervision, instruction, advice and assistance to the children's aid societies and children's institutions.

2. The Children's Aid Societies.

There are four non-denominational societies, each with a definite geographical jurisdiction. Each has a large area to serve and offices are located respectively in Brandon, Portage la Prairie, St. Boniface and Winnipeg for the Western, Central, Eastern and Winnipeg Societies.

The Societies operate under the Child Welfare Act and, by and large, their functions are as follows:
to receive and look into complaints, allegations and requests for help and advice from any member of the community who believes a child is being neglected or in danger of neglect;
to work with the child's own parents or those who are in the position of parent towards the child and with the resources of the community - educational, health, etc. to try to overcome the causes of the neglect situation to try to keep the child in its own home;
to take to the juvenile or family court those cases where neglect can be proved and where it appears unwise or impossible for the child to remain in its own home;
to take guardianship of such neglected children as are committed by the juvenile courts to the care of a society and to try to find substitute homes of a permanent nature for such children;
to give advice, counsel and assistance to unmarried mothers and to assist them in securing maintenance for themselves and their children and to assist them in sound social planning for their children and for themselves;
to receive enquiries and applications from citizens in the community who wish to provide foster homes or adoption homes for children.

3. The Crippled Children's Society.

This society's offices and staff are located in Winnipeg. However, its services are extended throughout the province.

Primarily, its function is to see that all remedial and restorative medical care is provided for crippled children, that they are educated, trained or re-trained in terms of their residual capacities and that they are re-habilitated towards productive living.

4. Veterans' Welfare Services, Department of Veterans' Affairs.

This is the Federal Government's provision for health, care, allowances and assistance for veterans with social problems.

5. Juvenile Courts.

There are four main juvenile courts in the province, although each and every police magistrate is empowered to hear and act on juvenile cases. The four courts are located in Dauphin, Brandon, St. Boniface and Winnipeg. In Winnipeg the court is known as the Juvenile and Family Court, the Judge being E. J. Heaney and the associate Judge Milford Watson.

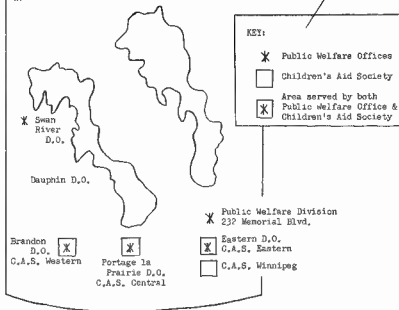
Juvenile courts hear all cases involving juveniles under 18 years of age for all minor offences, although for serious offences they have the right to refer such cases to the regular courts. The Family Court section in Greater Winnipeg hears all cases involving disputes and difficulties within families and of a civil nature.

The foregoing has been a brief summary of the main welfare agencies and their functions. To try to assist you in understanding the organization and scope of these activities I have brought along for distribution among you sufficient copies of a combination chart and map to try to show what the services are and where they are located.

I think in summary we would see that during the past two decades, and particularly during the past decade, there has been a substantial growth and development of welfare services in Manitoba with an ever-increasing emphasis on decentralizing these services out into the areas where the people are actually living. As I said earlier, the growth and development of these welfare agencies has been requested, encouraged and assisted in no small part by local government and I think the point can be made that there is a growing and developing understanding and inter-relationship between the welfare agencies and the municipalities in the use and integration of these welfare services.

In concluding, may I once again express my appreciation for this opportunity of meeting with you and may I again invite you to ask questions and discuss any matters in this field as freely and forthrightly as the time will allow, and, before closing, may I express the best wishes for the success of this extension course and the hope, which I know will be fulfilled, that it will substantially assist in the development of better understanding of the problems of local government and better administration in meeting those problems.

* Flin Flon D.O.



Inquiries regarding Financial Assistance (Relief, Old Age Pensions, Mothers' Allowance, Transients) should be addressed to the local office of the Public Welfare Division, or to Mr. E.O. Mackenzie, Deputy Minister of Public Welfare, 232 Memorial Blvd., Winnipeg.

Inquiries re Child Welfare cases should be addressed to the nearest Children's Aid Society:

- Southwestern Manitoba - Children's Aid Society of Western Manitoba located at Brandon.
- South Central Manitoba - Children's Aid Society of Central Manitoba located at Portage la Prairie.
- Southeastern Manitoba - Children's Aid Society of Eastern Manitoba, located at 669 Tache Ave., St. Boniface.
- Greater Winnipeg - Children's Aid Society of Winnipeg, located at 184 Alexander Ave., Winnipeg.

Inquiries re Child Welfare cases in areas not served by a Children's Aid Society should be directed to the nearest Public welfare office.

In cases where territorial jurisdiction is in question, enquiries or referrals may be directed to the Deputy Minister of Public Welfare, 232 Memorial Blvd. Winnipeg.

(Printed June, 1953, by Division of Public Welfare, 232 Memorial Blvd., Winnipeg)

THE PREPARATION OF JURY LISTS

by

MR. W.J. JOHNSTON, Q.C.

Once in each year, you are required, by law, to prepare a list of those voters in your municipality who may be called upon to serve as jurymen during the following year.

Section 7 of The Jury Act requires the head of each municipality together with his clerk and the assessors to meet during the first ten days of November for the purpose of selecting the persons for the list.

This duty is of prime importance and in discharging it faithfully and well you are making a substantial contribution to the due and proper administration of justice in your community.

An examination of the jury lists sent in, in the past, together with actually seeing the jurymen themselves, discloses that in far too many cases the first selectors have failed miserably in their task.

Persons have been returned as jurymen, who were considerably over 60 years of age, who were deaf or nearly so, who could not understand English, who were under law exempted from jury service, who were so suffering from mental and physical infirmity as to be unfit for jury service, and, on at least one occasion, who had died some time prior to the return of the list.

Had you not neglected your duties, as first selectors, such errors could and would not have occurred. I am satisfied that your neglect was not wilful but rather that it arose out of a failure to fully appreciate the importance of the task to be performed.

The right of every person, charged in this country with a serious crime, to a trial by jury is our heritage, handed down through the ages, and one of which we may be justly proud.

It is a right that has been won by the blood of our forefathers and forever guaranteed as one of our basic personal liberties in the words of the Magna Carta signed by King John of England in the 13th century.

The jury system has continued over the years and has spread to other countries because it has been found to be the greatest safeguard to the liberty of the subject.

Individual judges and those who constantly deal with criminal matters may become prejudiced one way or another and too greatly influenced by personal considerations. A jury, on the other hand, brings to the consideration of the problem a cross-section of the thought and experience in the community

and in a democratic country is as a body best suited to render justice to all.

At a jury trial, it is the jury who have the full power to convict or acquit, though on matters of law they are guided by the trial judge's instructions, they are the sole judges of the facts and the fate of accused persons rests solely in their hands, even as does the welfare of society which they represent.

You will therefore realize the importance of the jury to our way of life and I hope more fully appreciate the importance of your duties as the first selectors of the jury members. The list which you prepare is the foundation on which the edifice of justice is to be built -- I charge you to lay that foundation well.

Many persons in your municipality, probably those who are best fitted to serve as jurymen, will seek to avoid being included in the list and you will have to guard against favoritism in your selections. While it is a cardinal duty of citizenship to serve as a juror, it is also a great privilege and you should ensure that all qualified persons are given an opportunity to serve, irrespective of his or her personal desires.

You are, of course, aware that by virtue of the 1952 changes in The Jury Act, women as well as men are now eligible to serve as jurors and that the names are now to be selected from your last revised and certified List of Electors rather than from the Assessment Roll as theretofore.

How then should you go about preparing your annual jury list? The mechanics of your procedure is not of great importance provided that you comply with the statute, but I would especially commend to your consideration the following rules. If you observe them faithfully you will find that the proper performance of your task is not really very difficult and at the same time you will return a well prepared jury list.

1. Select a suitable day during the first ten days of November for the meeting of the selectors. Remember all of you must be present at the meeting and a name should not be entered on the jury list until you have approved it as a group.
2. All selectors should read and be familiar with Sections 3 to 10 of The Jury Act and in particular Sections 4 and 5 which contain the disqualifications and exemptions.
3. The clerk should provide copies of the last revised certified list of electors and also a sufficient supply of suitable paper on which the names of those selected are to be entered.

In the past many of you have been sending in your jury lists on any bit of paper which happens to be handy. Because of lack of uniformity this requires complete re-typing of the lists for the use of the final selectors and a good deal of wasted time. It is imperative that all jury lists be submitted on a standard form. Wilson's Stationery have available a most suitable form for this purpose and it is known as -
Jury Lists - No. L2.

I urge all of you to procure an adequate supply immediately and to use it exclusively in making return of your annual jury list.

4. On meeting as arranged all selectors, before commencing to select the jurors, must make and subscribe the oath prescribed by section 10 of The Jury Act.

Later as you proceed with the selection do not lose thought of what you are sworn to do -

"Select from the proper list the requisite number of the most fit and proper persons to serve as jurors."

5. Ascertain the total number of names on the list of electors - divide it by twenty and the round figure closest to the result will give you the number of persons you are required to select.
6. Proceed with the selection of the jurors.

It is here that your real work begins. At this stage it is not enough to merely transfer a sufficient number of names from the list of electors to the jury list and then consider that your duties have been performed. As a group you must consider the qualifications of each person whose name is to be entered on the jury list, and only after a majority of you agree that the person in question passes all of the following tests should his or her name be entered on the list.

You have been chosen to make these tests because of your knowledge of the people in your community. You know them and as responsible individuals holding responsible positions in society, society relies on you to exercise your discretion to the end that only qualified persons will ever find themselves to be members of a jury.

TESTS OF A JURY MEMBER

That the person being considered is:-

- (i) between the age of 21 and 60 (Sec. 3);
- (ii) resident in the municipality (Sec. 11);
- (iii) not exempted under Section 5 (Sec. 5);
- (iv) not afflicted by blindness or deafness (Sec. 4);
- (v) not so afflicted with physical or mental infirmity as to be unfit for jury service (Sec. 4);
- (vi) not charged with an indictable offence nor ever been convicted of such an offence (Sec. 4);
- (vii) one who has not served as a juror for two years (Sec. 32);
- (viii) able to speak and understand English with reasonable facility (Sec. 4);
- (ix) of such integrity of character and soundness of judgment as to be fit for jury service (Sec. 1c);

You may find it somewhat difficult to judge of a person's qualifications under (ix) above but in considering that test it would suggest that you ask yourselves this question --

Is he or she a person whose judgment I would be prepared to abide if I, myself, or someone near and dear to me were charged with a serious crime?

If the majority of you are of the opinion that the person passes all of the above tests, then and then only his or her name should be entered on the jury list.

7. When the required number of names have been thus entered on the jury list it should be signed by all of the selectors.
8. Within three days after completion the clerk must send one copy of the list to the Prothonotary or the deputy clerk of the Crown and pleas, one copy to the County Court judge of the District or in the Eastern Judicial District to the Senior County Court judge.

It is most desirable that as many qualified persons as possible have an opportunity to take part in the administration of justice. As well as being a duty and a privilege, jury service is a great educator and any person who has served on a jury must take away with him a better appreciation of what is meant by justice before the law. Accordingly you should keep records of those persons who have served and they should not be relisted for service until all the other qualified persons in your community have had that opportunity.

If you follow these simple rules faithfully and conscientiously you will return good jury lists and not only thereby discharge your statutory duties but you will, at the same time, be fulfilling a most important function in the due and proper administration of justice in the province.

ELECTORS' ROLLS AND LISTS OF ELECTORS AND RATEPAYERS

by

MR. A.W. VINCENT

Because, some few years ago, I happened to speak a little too often upon a certain subject during an executive meeting of the Manitoba Municipal Secretary-Treasurers' Association, I have been charged to enlarge upon the same in a paper here today.

This subject is Electors' Rolls and Lists of Electors and Ratepayers, and though the going may be difficult, I trust you will bear with me and perhaps gain something useful, even though it be merely a realization of the complexity of the subject in all its ramifications.

The right to vote in any true democracy, without fear, without coercion and, sometimes I'm afraid, without much sense, is, in my opinion, the basic right and the firm foundation of democratic government as we enjoy it.

No matter how seemingly autocratic or overbearing governments may be, in democracies, sooner or later, the man in the street has his innings, and the vigorous manner in which his vote is wooed by the politicians is an indication of its importance - to the voter exercising it and to the candidate seeking to be favored therewith.

This right to vote in the election of governments has not always been the privilege of all citizens, but has evolved through the ages, through trouble, strife and sacrifice and through the struggles of men and women to live a full and happy existence under governments they themselves have a voice in creating.

It is most unfortunate that in these days the right of franchise seems to be taken most lightly upon occasion. One has only to observe the percentage of votes cast in comparison to the possible number, to see that too many electors are too busy with their daily occupations to bother about voting and thereby helping to preserve their right to vote.

Feckularly, it is in those countries where, to our way of thinking, the most obnoxious forms of government exist, that the most complete exercise of franchise is recorded. You have often read instances where in totalitarian countries, 99 or 100% of the people have voted, but the voting was not free, was not without fear but, rather, because of it and God help the 1% if they are discovered.

However, whether we choose to use it or not, the right to vote is a most important right and privilege and, to see that it is properly safeguarded, certain rules and regulations have been made and must be observed.

These rules and regulations differ at the various levels of government

in Canada, but in the main, they vary but little, with perhaps the more restrictive kind being found at the municipal level.

In an effort to make this subject a little more interesting, I did some research work into the methods and machinery of voting in the sister provinces to the east and to the west of this one, and I find that while each of them has its own distinctive requirements, the basic principles are present in them all.

For instance, in Ontario, no electors' roll is made, but the Clerk or secretary-treasurer is required to make up the voters' list directly from the revised assessment roll. This list is in two parts and one contains the names of those who are qualified to vote in both Provincial and municipal elections, and the other part the names of those qualified for municipal elections only.

The basic requirements are that persons shall be British subjects, of the full age of 21 years, and rated as owners or tenants on the last revised assessment rolls at minimum amounts which vary in rural parts, villages, towns and cities. Relatives of owners are eligible, as are husbands and wives of tenants if they are resident in the municipality. A twelve month residence requirement is also necessary in respect of these residents.

From the Province of Saskatchewan, I obtained a copy of The Town Act, from which I gathered pertinent information, but this would not be exhaustive, for I assume that Province will also have a Rural Municipalities Act, as well as others for cities and villages, etc.

However, the basic requirements are that male and female persons, British subjects, of the full age of 18 years, are qualified to be placed on the Voters' list. There are no property qualifications; it is sufficient if a person is named on the assessment roll.

In Saskatchewan, no Electors' Roll is made and the Assessor makes up the list from three sources:

- (1) Cards issued under the Saskatchewan Hospitalization Act;
- (2) Completed voters' registration forms; and
- (3) The assessment roll.

The names taken from the hospital cards, and from the registration forms, shall be those of persons who have resided in the municipality for at least five months before June 1.

In general, it seems to me that the qualifications for Manitoba fall somewhere between those of Ontario, the most restrictive, and those of Saskatchewan, the least, but in neither of our neighbouring provinces are Electors' Rolls made prior to the making of lists of electors, or voters' lists as they are called in the statutes to the east and west of us.

In the early days of the Province of Manitoba, in the municipal field the right of franchise was limited to those who held certain property qualifications, and although changes were made from time to time allowing certain relatives of such property owners to be enfranchised, these qualifications obtained until the year 1946, when a fundamental change in legislation extended the right to vote to all residents of a municipality under certain conditions and abolished property qualifications in respect of such residents. Thus, today, we have virtually universal franchise in the municipal council elections in Manitoba.

As stated previously, there are rules and regulations governing the right to vote, and I now propose to discuss those to be followed by the municipal authorities of this Province.

The most important, over-riding, single requirement antecedent to voting is that the person attempting to do so must be named on the list of electors, and how he becomes so named is set forth in the Municipal Act and the first step taken is the preparation of the Electors' Roll.

Annually, not later than February 15th, any municipality may appoint an enumerator, and where the assessments are now being made by the Provincial Municipal Assessor shall make such an appointment.

This is an apparent recognition that the assessor is not, ex-officio, necessarily the most competent person to make the Electors' Roll and when the whole Province, outside of the cities and certain suburbs, eventually is assessed by the Provincial Municipal Assessor, then enumerators will have to be appointed by all municipalities so assessed.

However, at the present time, whoever does the job is required to have his roll of resident electors completed by June 15th, and on a form prescribed by the Minister, giving the property on which such resident elector qualifies.

A non-resident Electors' Roll must be similarly made at least every fourth year.

Once a resident Electors' Roll has been completed, as already mentioned, it may be adopted by resolution of Council for the three following years subject to revision.

We now know that the enumerator or assessor is responsible for completing the Electors' Rolls, and doubtless the prime requisite must be to determine just who are the electors, and how they qualify as such. To do this, the enumerator or assessor must start at section 98 of The Municipal Act, which tells him the following things:

Persons entitled to be placed upon the list of electors are male or female, of the full age of 21 years, and British subjects who are:
(a) owners, resident or non-resident;
(b) actual residents of the municipality, ward or polling subdivision at the time of the election and for six months immediately prior thereto.

In connection with owners, he must not overlook Section 49 which defines them.

"An owner means a person who has in his own right a life or greater than a life estate, legal or equitable, in land within the municipality, the assessed value of which is not less than one hundred dollars."

I have deliberately quoted from the Act, because, frankly, about the

only part I clearly understand is the one hundred dollars, and even that more by hearsay than close personal association. This is serious, with the cost of living increasing periodically by two bits or 50¢ per bottle.

At first glance, it might appear that paragraph 98 (1) (a) dealing with resident owners, is redundant in the light of paragraph (b) immediately following, but this is not the case as I interpret the qualifications which entitle a person to be placed on the list of electors.

If he is not an owner, but an actual resident; perhaps a relative, boarder or employee, he must have lived in the municipality for a six months' period. However, if he is an owner, this six months' residence qualification does not apply. Should he become an owner at any time prior to the election date, he is entitled to be named on the list and entitled to vote even though not so named.

No person who is assessed as a trustee for land is entitled to be placed on the list of electors. This bar would apply to the executrix of her deceased husband's will, where the land was in his name but would only operate if the widow was non-resident.

Where a person is qualified to vote in two or more wards, he is entitled to be placed on the list in each ward in which he so qualifies; as a resident in the ward in which he actually lives and as a non-resident in the others. If wards are broken down into polling subdivisions, he must be shown in each such subdivision where he qualifies.

Section 102 provides that joint owners are entitled to be placed on the list of Electors if each of them qualifies in respect of assessed value, but if this is not the case, none of them are so entitled.

These are the requirements for being named on the list and no person can vote unless he is so named, except, (a) he votes under a Clerk's certificate of omission as in Section 103, or (b) he is vouched for under Section 107.

The Clerk's certificate covers the situation where an elector is named on either the assessment roll or the electors' roll and has been missed out of the list, and the method of vouching is used where the person, although properly qualified, is not named anywhere. In both cases, the net effect is that the person's name is added to the list and he then becomes entitled to vote.

The foregoing covers the qualifications of electors, and we now move on to the preparation of the Electors' Roll.

In preparing the Electors' Rolls, both resident and non-resident, the assessor or enumerator must keep in close touch with the Assessment roll because the amount at which property is assessed as already shown has a bearing, and because the way in which a person is shown on the Assessment Roll might prevent his being qualified as an elector. Also, where an elector owns several parcels of land, he is entitled to be shown as resident on the land upon which he actually lives, and as non-resident on the others. This is especially important where land is situated in more than one ward.

In Section 50, sub-section (b), we have a little joker. In municipalities where the Electors' Rolls must be made by an enumerator, there is no direction to him if he suspects that a person is not entitled to be placed on

the Rolls. This sub-section tells what the assessor is to do, but if he is not charged with completing the Rolls, I cannot see how he will suspect anything. Perhaps this is an oversight in amending the Section, or maybe it was considered that enumerators would not be of as suspicious turn of mind as assessors.

After the Electors' Roll has been completed, the enumerator or assessor is required to post the same in the municipal office for inspection for a period not less than thirty days prior to the first day of August, and then the Council of all municipalities except cities and six others in the vicinity of Winnipeg, shall sit as a Court of Revision for hearing complaints against the Roll so posted.

There is no appeal from the decision of the Court, but the list of electors subsequently prepared from the Electors' Roll is subject to revision by a County Court Judge.

In regard to the cities and the six other municipalities just referred to, it is to be noted that the Councils of these corporations are relieved of the necessity of sitting in revision of the Electors' Rolls and complainants must apply direct to the County Court Judge of the district concerned.

However, these same corporations must print a new list each and every year; they do not have the option of amending the list by additions and deletions in those years in which the Electors' Roll is adopted, as do the rest of the municipalities.

I was not able to determine from the Municipal Act why the method used by the cities and those municipalities named in Section 51 subsection (5) is confined to these corporations, or what procedure is necessary for other centres of large population to follow in order to adopt this method. I had in mind such municipalities as Flin Flon, Dauphin and Selkirk.

We now arrive at the point where the Clerk, theoretically, enters the picture. I say theoretically because I know that in many cases there would be very sketchy Electors' Rolls indeed unless the Secretary took a hand in preparing them.

Nevertheless, let us assume the roll has been prepared, posted for thirty days in the municipal office and revised by the Council sitting as a court of revision, the Clerk is then charged with making a correct alphabetical list of the persons appearing by the Electors' Roll to be entitled to vote in the municipal elections.

Should the Electors' Roll be an adopted one, then, instead of re-printing the list, it is permissible to amend the previous year's list by adding names or striking out in enough copies to fill the requirements of Sections 60 to 62 of The Municipal Act which will be discussed later. Such amendment of the list is permitted only upon resolution of Council and with the approval of the County Court Judge.

I note in passing that both subsections (2) and (3) of Section 52 require amending to make them consistent with other pertinent Section of the Act. The cities and the six other municipalities are permitted to appoint an

enumerator, but subsection (2) clearly indicates that the assessor is required to make the Electors' Rolls. Subsection (3), in order to have the desired effect, should be amended so that it refers to the correct subsection of Section 50.

The list as prepared by the Clerk must be in a definite form as shown in Section 53, and careful perusal of the same indicates that it is not necessary for the enumerator or assessor to make his roll in alphabetical order, because two numbers are required (a) the number of the elector upon the list and (b) his number on the Electors' Roll. It might be of some advantage to the enumerator or assessor to make a geographic canvass of the municipality if he feels that by so doing there is less likelihood of properly qualified electors being omitted and it is up to the Clerk to unscramble the names and arrange them in alphabetical order.

As a matter of fact, in Ontario, the list must be made up in the same order as the assessment roll is prepared, unless Council directs by resolution that it be made alphabetically.

Each person on the Manitoba list must be identified in respect of a parcel of real property either as an owner; resident or non-resident; or as an elector actually living on the property.

Where the municipality is divided into wards and polling subdivisions, the list must be so divided, showing who is entitled to vote in each polling place.

Section 56 requires that the list be printed unless Council directs otherwise by resolution, and Section 57 requires the Clerk to date and certify the same as being correct.

Following the Municipal Act along, it is found that a blank page must be left at the end of the list for the purpose of appending any statement or certificate required.

The names and addresses of the reeve or mayor, secretary-treasurer and the County Court judge of the district to which the municipality belongs, are required to be placed on the list.

It appears that no advertising is allowed, and perhaps the municipalities have overlooked a possible source of revenue here. Think how attractive to some electors the rubber company's slogan "Time to re-tire" would be right next to the name of a perennial corporation head, or how encouraging to the secretary-treasurer to know that there is indeed a "Home of Friendly Credit."

However intriguing such a decorative document might be, it will be the familiar unadorned list that the Clerk will post up in his office as soon as he has it completed. He must also post up copies in such post offices and schools as the Council by resolution may designate and send four copies to the County Court judge and two copies to each member of the Council and each candidate defeated at the last election.

Continuing, one finds in the Municipal Act the machinery for revising the list by application to the County Court Judge, but I consider that phase

to be a subject in itself and beyond the scope of this paper and I now move on to the trying matter of ratepayer's lists.

The Clerk alone is charged with the responsibility of the preparation of a list of ratepayers to be used in the submission of municipal by-laws. He gets no help from the assessor or the enumerator.

The correctness of ratepayers' lists is most important, because, although a person missed out may apply for a Clerk's certificate of omission, there is no method of vouching for a ratepayer as there is in council elections.

Accordingly, the first thing a secretary should do is become completely familiar with the qualifications of a ratepayer. In addition to those which entitle him to vote at elections for Council members, he must, at the time of voting on the by-law, be the owner of real property in the municipality or part of it concerned to at least the value of four hundred dollars or the owner of not less than eighty acres of land, and in both cases be shown in that manner on the last revised assessment roll.

Using either a money or an alternative acreage qualification might in some isolated cases cause unusual situations. To illustrate, a person owning seventy-nine acres, assessed at three hundred and ninety dollars or less, would not be entitled to be placed on the list of ratepayers, but one owning eighty acres or more assessed at a mere hundred dollars would be so entitled.

You will no doubt agree that land would have to be submarginal to be assessed at such low values, but in one municipality where I served as secretary, there was section after section assessed at the rate of six hundred dollars per quarter.

To further complicate the situation, an amendment was enacted in 1952 which allows an owner, added to the tax roll under Section 1057 with an assessment of four hundred dollars or over, to vote on by-laws, but if he is added as owner of eighty acres assessed at less than this amount he does not qualify.

Further points to be remembered are, that where the land constituting the qualification of a ratepayer is assessed at eight hundred dollars or more, both husband and wife are entitled to vote, provided both live within the boundaries of the area to which the by-law vote applies. Where local improvement districts, memorial hall or rink districts, etc. are involved, residence within the municipality would not be sufficient; both must reside in the district, otherwise only the one who actually appears as owner on the assessment roll is qualified as a non-resident owner.

Some of the marital tangles that one runs into occasionally can be the cause of considerable doubt in connection with ratepayers' lists. For instance, what is the correct thing to do where a wife legally separated from her husband is living with her parents within the boundaries of a money by-law district and her husband owns a qualifying parcel of land in his own name in the same area but does not live in the district? He is a non-resident owner and is qualified to vote, and she obtains her qualification through her husband and as the wife of a non-resident she would not qualify.

At least, that is the way I would rule, but I do admit the point could stand discussion.

In any event, the Clerk must use care in these border-line cases because Section 535 (1) requires him to make a list of all those persons legally qualified to vote. Some of the fine points to be decided may put his legal talents to the test.

There is one further type of list which the municipal secretary-treasurer is required to make, and this is the one used in voting on school district by-laws and referendums.

The Public Schools Act refers to the Municipal Act for directions as to the preparation of these lists and these are substantially the same as for a list of municipal ratepayers, but the qualifications are greatly different.

Firstly, the property qualification is dispensed with and all electors resident in the school district are entitled to be placed on the list. Secondly, non-resident owners, no matter how large their holdings within the district, are barred from voting. This latter provision has been the cause of as much recrimination as far as I personally have been concerned, than all other complaints put together. It is one case where one pays the piper without any chance to call the tune and, to rub it in a little more, a school district money by-law will be approved with a bare majority whereas it requires three-fifths of the voters to be in favor to pass a municipal money by-law.

Having now dealt with the fundamentals of my subject, it might be well to examine briefly some of the common problems to be met.

It seems to me that one of the chief causes of dissatisfaction is the spathy or neglect with which Electors' Rolls and lists usually meet. Generally speaking, assessors have felt that the matter is decidedly secondary to purely assessment affairs and have not given the time necessary to the proper completion of the rolls, nor are Councils wholly free from blame because I feel that they have not given adequate consideration to the matter of proper remuneration for the work involved.

In my opinion, the action of the Provincial Municipal Assessor in obtaining legislation freeing his department from responsibility for the preparation of the Electors' Rolls, amply supports my contention that it is a field of endeavor in itself and not a bothersome detail in connection with assessment work.

As the use of properly paid enumerators expands, it is to be hoped that more satisfactory Rolls will result.

In castigating other officials, I do not propose to overlook the Secretary-Treasurer. He, too, in the main, is apt to think that the preparation of his list is love's labor lost, but in his case there is the urge to do as good a job as possible because he knows he will have to face a barrage of criticism in the event of an election where the lists are in bad shape. It is not encouraging to know beforehand that the likelihood of his list ever being used in an election is extremely remote and this is the case today with so many acclamations in the municipal field. I know of a town incorporated some thirty years ago, where nobody knows of or remembers a contested election for Council

members every being held, yet a list of electors has been faithfully prepared year after year,

Lists of electors are commonly used for many purposes other than for voting. Hospitals like to get them, and plenty of business houses seem to find them useful for making up mailing lists and for finding where John Doe lives so he can be visited by the long arm of commercialism.

I recall, some years ago, when I was employed by a rural municipality not far from here, I had a stack of my nice new electors' lists in the car and when I stooped to speak to the operator of the municipal grading outfit one of the workmen took a list and disappeared into the bush.

Why he did this I could never understand, because the light for reading by was much better up on the grade.

In dealing with this whole subject, I have come to the conclusion that we could profitably do away with the making of Electors' Rolls and compile only lists as is done elsewhere. Once a master list is completed it can be a relatively simple matter to amend it from year to year and I believe Mr. Byars will have a word for you in this regard during his address tomorrow.

Before concluding, let me say I think our voting machinery could be improved upon. I lived near Saskatchewan in the early thirties and as I watched dust, grasshoppers and the strong hot air of a new political party blowing in from the west, I fell into that frame of mind that nothing good could come from that Province, with the exception of our visiting delegates and Pete Byars. However, I now think that in the event of our overhauling our voting machinery, we could with great benefit look to the west.

I now close with a gem I picked out of a local newspaper the other day, quote, "THERE ARE VERY FEW INTELLECTUAL DISCUSSIONS THAT CAN'T BE MADE A LOT CLEARER BY ONE OF TWO IGNORANT QUESTIONS." Unquote.

GRANTS FOR EDUCATION

by

DR. R. O. MacFARLANE

I should like to thank you for the kind invitation to discuss with you some aspects of grants for Education in Manitoba.

Under the present system of payments the Municipal Secretary-treasurers are very much concerned with both the amount and the method of paying such grants. I should like to take this opportunity of thanking the secretary-treasurers for the fine cooperation that we have had both individually and collectively from you.

As you are all aware, in Canada's federal system, Education comes under provincial jurisdiction. So concerned were the Fathers of Confederation about this matter that they did not list it along with other fields of provincial jurisdiction under section 92 of the B. N. A. Act, but placed it in a separate section of its own, while the Government of Canada has in recent years shown some interest in such specialized branches of Education as health education and technical education, it has on the whole, scrupulously avoided any possible suggestion that Education was not exclusively a provincial matter.

Education has been a rapidly expanding field of service, with a corresponding increase in cost. There was a time when a Grade VIII education was considered all that was necessary for most Canadians. That view has been giving way to a desire for a secondary education for all pupils. While this latter ideal has by no means been reached, we have our pupils in school much longer than was the case ten years ago, and very much longer than was true 25 years ago. In addition, the increase in our population in early age groups added further to the number of pupils to be educated. Since 1945 the number of teachers employed in Manitoba has increased by 933, - from 4,353 in 1945 to 5,286 in the current year. This expansion in our educational system has brought inevitably higher costs.

There are two main sources of financial support for schools: local taxation and provincial grants. You are all familiar with the former so we will confine our attention here to the latter. Provincial support for Education falls into two main categories:

The first: provision of general services over the Province as a whole, such as: inspection of schools; teacher-training; school broadcasting; the maintenance of a film library; the conduct of examinations and recording of results; and the certification of teachers. All of these services are provided for out of the Provincial Budget at an estimated cost this year of \$1,831,124.50.

The second means of provincial support is direct grants to school districts. These grants are made directly to the school districts to assist them in financing their local schools. The essence of our educational system is that

control should be vested in the elected school board and therefore, all grants must be of specific amounts so that the marginal costs always rest with the school district. Only in this way can any control be retained locally.

Let us examine briefly the principles on which the present grant structure rests. All our grants are operational and are paid with respect to service rendered. With one or two very minor exceptions which we shall mention later there are no capital grants as such. The grants vary with the services provided; that is: in relation to the number of classrooms which a school district has to operate, within the limits fixed by regulation enrolment is the vital consideration in determining the grants to be paid. The grants also involve an equalization principle up to the level of the guaranteed annual support which at the present time is \$2200; in other words, for a fixed rate of taxation, namely: 7 mills, each district receives the same amount of money, namely: \$2200 for each of its authorized teachers. The object here is to provide equality of opportunity up to a level of minimum services. There is the additional objective of establishing a figure that has a reasonable chance of being maintained year by year to provide stability for the financing of our schools, and to enable districts to budget on this firm basis; and the final principle to which I would draw your attention is that the major grants are not earmarked but are direct payments to the board to be used as it sees fit in the operation of its system.

The most important grant paid by the Province is the legislative portion of the combined grant. For the present fiscal year we estimate this will amount to \$6,375,000. The formula, as I have already suggested, is the amount required to raise the product of 7 mills on the balanced assessment of the municipality to \$2200 for each authorized teacher and to provide a minimum grant or floor of \$700 for each authorized teacher.

In determining an authorized teacher several factors are taken into consideration. The most important is enrolment in elementary schools. An enrolment of 7 to 39 provides for one authorized teacher; 40 to 79 - two authorized teachers; and thereafter the enrolment is divided by 30, with an extra teacher allowed for a remainder of 20 or more.

In secondary schools an enrolment of 14 to 24 provides for one teacher; where Grade XII is taught - 25 to 39 for two teachers; 40 to 64, for three teachers; and 65 to 114, for four teachers. Over this number, enrolment is divided by 25 with an extra teacher allowed for each remainder of 15 or more. In every case the number of teachers employed must be as great as the entitlement; and there are some reductions in the secondary entitlement if Grade XII is not taught in 2-room high schools or larger. The school must have operated for 200 days in the calendar year. If it is less, the number of authorized teachers is decreased proportionately. The teacher must be receiving a salary of at least \$1700 or the grant is reduced by an amount equal to the difference between \$1700 and the annual salary actually paid. In union school districts in a municipality a fraction of an authorized teacher is allowed on the same ratio as the balanced assessment of the district divides between two or more municipalities. For closed schools, for which a grant of \$110 per pupil is paid, the teacher count is the fraction represented by grant earned divided by \$2200.

This sounds like a rather complicated system of calculation, and you can therefore, be interested in the actual steps that we use to calculate a grant. First we ascertain the general lev. of the municipality; that is: 7 mills on the balanced assessment, - the balanced assessment being the

equalized assessment plus the personal property or business tax. Then we assign 60 per cent of this municipal general levy to the spring term and 40 per cent to the fall term. We then determine the teacher count, that is: the authorized number of teachers for the municipality for the term, in the manner I have mentioned above. We then divide the spring term general levy by the spring term teacher count, which gives us the municipal share of the combined grant per teacher. We then take the teacher count for each school district and multiply it by \$1320 (60% of \$2200). This gives us the total spring term combined grant for the district.

We then multiply the teacher count for the district by the municipal share per teacher, which gives us the municipal portion of the combined grant for the district. This figure is provided to the secretary-treasurer of each municipality. The difference between the total spring term combined grant for the district and the municipal portion of the grant gives us the legislative grant for the district for that term.

In this rather complicated method of calculation you might be concerned about the possibility of error. The grant is originally calculated by our grants clerk, then checked by another clerk; and then given an over-all check by the departmental accountant. Both the teacher count and the grant calculation is given a pre-audit by the Comptroller-General's Department. In spite of all of these checks there is always some possibility of error, although these have been held to two or three a year. If you detect an error in the calculation for your municipality we should be very grateful indeed if you would inform us as soon as it comes to your attention.

While the legislative portion of the combined grant is much the largest paid by the Provincial Government to school districts there are several others of some importance. A grant of \$750 per authorized teacher is paid for each secondary school teacher on the basis of the enrolment formula referred to above. This is an inducement grant and is paid to districts to encourage them to provide secondary school facilities which are more expensive than elementary; and enrolment is generally smaller.

Transportation grants are paid to consolidated school districts on the basis of 50% of actual cost, or 40% of the provincial average cost per mile, whichever is the lesser. Last year the provincial average was 75¢ per mile one way, so that the provincial share was 30¢ per mile. This again, is an inducement grant to provide a better standard of educational services by consolidating service to save both teachers who are scarce; and to get rid of uneconomic attendance units.

In addition to the legislative and secondary grants, additional grants are paid to school districts with respect to technical teachers who are devoting at least 50% of their time to technical instruction of students in one of the 50 per cent courses, (that is: Commercial, Agriculture, Industrial, or Home Economics). These courses have to be approved by the Inspector of Technical Schools. There must be a minimum of 10 enrolled in each of these classes, and 40 in a course earns a second grant if two teachers are employed. These grants are \$600 per teacher and in addition, there is a supply and equipment grant covering 2/3 of approved expenditure, up to but not exceeding \$300 for each technical teacher, and \$10 for each technical student. For example, a district which had 20 pupils in a technical course, with one teacher, would receive 2/3 of their approved expenditures up to but not exceeding \$750, i.e. the grant would not exceed \$500. In the optional technical courses the Province will pay

50% of the cost of establishing such a course, not to exceed \$4.00.

In elementary schools \$15.00 a year is deducted for library, and the Province supplements this with approximately \$7.50 per classroom. This is done by order-in-council in the amount of \$22,500. Library and laboratory grants are paid to secondary schools on the basis of 50% of approved expenditures, up to: number of classrooms, plus one, multiplied by \$12.50.

Evening school classes approved by the Inspector, receive grants of \$3.00 per teacher for each session of approximately two hours' duration, and \$1.50 for each corresponding academic period of instruction.

The Province also pays the non-resident secondary school fee of \$7.50 per month for each pupil coming from unorganized territory.

In outlying sections of the province there are communities which have no assessment - and none is possible. Here the Province operates the school and pays the teacher, raising what money it can locally through a committee. Our estimate for the cost of this service this year is \$133,200.

While no direct grants are paid for capital costs, the Province will guarantee the interest on school district debentures, provided there is need for the accommodation and the cost does not exceed \$12,000 for one-room, and \$15,000 per classroom, for multiple-room schools. It also undertakes to purchase debentures when they cannot be sold in the open market at a cost to the district of $\frac{1}{2}\%$ or less. In this way, districts which would have difficulty in raising money are enabled to get it, and at a rate considerably below the open market rate.

This system of grants may appear to be a rather complicated one. No-one would rather see it simplified than the Department of Education, but in a province where you have school district assessments running all the way from \$3,000 to \$350,000 per teacher; where you have per classroom costs varying from under \$2,000 to over \$7,000, it is extremely difficult if not impossible, to devise a simple formula which will also be equitable. The two guiding principles which must be followed are:

1. That monies from the Provincial Treasurer go to those school districts that require assistance; and
2. That this provincial support does the things it is supposed to do.

We have come a long way from the old formula of \$1.00 per teacher per day, which was paid to rich and poor alike. Our objective has been to equalize the incidence of educational costs up to a minimum standard of service, and at the same time, enable strong districts to go as far beyond that minimum as their elective school boards see fit. In this way, we have endeavored to ensure a minimum provincial standard, and at the same time, reserve as wide a degree as possible of local control over educational services.

MODERN OFFICE ROUTINES AND PROCEDURES

by

MR. P.F.C. BYARS

The subject allocated for this session is Modern Office Routines & Procedures*. Those of my listeners who attended the Short Course last year will remember the excellent lecture on "Office Routine and Management" given by Mr. J. F. Keeley, C.A. of the Municipal Auditor's Branch. Because the subject of office routine and procedure is essentially very broad, I shall endeavour during the next half hour, to add some of my thoughts and ideas to those expressed last year by Mr. Keeley. Perhaps next year another speaker will be able to cover additional phases of the subject.

I think the best way to introduce today's topic is to remind you that the past ten or fifteen years has seen a notable change in the type of road building and other machinery in use in municipal public works' projects. We no longer use teams and frescoes for building roads; nor do we send out horse-drawn graders to drag up a mud road. Now-a-days we use letourneaux and power graders. Farming operations are also being carried out on a much larger and more mechanized scale than ever before, and along with the vast increase in farm operations, there has developed a similar increase in municipal operations.

We have been quick to realize the value of modern power machinery for farming operations and for municipal construction projects and effective maintenance work. The equipment we use in our public works operations is the most modern machinery available. It represents a capital value far in excess of the value of the old horse-drawn equipment of a number of years ago. I believe municipalities are using modern power machinery because they are convinced that it does a much better job than our old-time equipment and produces a more lasting and definitely superior finished road than we used to build. In addition, the job is done economically and speedily.

Now you may ask: "What has modern road machinery to do with a Talk on Modern Office Routines and Procedures?" The point is - just as there has been a large-scale evolution during the past few years in the production and use of power machinery, so has there been exceptional development in new office techniques and procedures, and in the use of mechanized office appliances and equipment.

I sometimes think that we - as municipal men - have been so taken up with the improvement we can accomplish on the outside work of the municipality, that we have been somewhat blind to the vast improvement we could make on our inside work - i.e. in improving the efficiency of the Municipal Office, and thereby providing better office service to our Ratepayers.

I think it is important for us to realize that municipal administration today is a reasonably big business. The extent of the services furnished to the

people by the municipality usually represents the biggest volume of business enterprise in each individual locality. If we admit that our local municipal government is big business, then it naturally follows that successful management of the affairs of the municipality calls for careful and efficient administration of all phases of municipal operations. This means that, if we desire to give full value and services for the taxes we impose, we must ensure that our municipal business will operate as efficiently as private enterprise.

It has been said that modern administrative techniques fully explored, can yield big dividends in increased efficiency and dollar savings. I firmly believe this statement to be true, yet in a number of municipal offices throughout this Province, the Secretary-Treasurer is still expected to carry out his duties through use of office equipment of a type that was modern thirty years ago, and has long since been discarded by private business. I would not for one moment suggest that the reason for this rests entirely with the Council. Some of us prefer, either through lack of initiative or from hesitancy in trying out new ideas, to continue to use a system we have grown up with. On the other hand, though, it must be admitted that some municipal councils pay very little attention to suggestions for new office equipment, possibly from the mistaken idea that what is done in the office is not as important to the welfare of the community as what is done in the way of road work or other outside activities.

The Office of the Secretary-Treasurer is the focal point from which all phases of the administration of the affairs of the municipality radiates, and therefore we should not countenance continued use of impractical, out-moded and cumbersome office procedures. A private business needs efficiency to increase its profit, but a municipality needs efficiency even more because it makes no profit. It deals only in service to the community. Efficiency in a municipal office can then be said to represent increased service to the taxpayers. For this reason, I believe that every modern method for ensuring increased efficiency in municipal office operation should be explored if we expect the municipality to be run on the same kind of efficient business basis as any other business enterprise. The growth and complexity of municipal operations in these times makes it necessary for members of Council and Secretary-Treasurers to do a little realistic thinking on the subject of Modern Office Management.

Most municipal offices in Manitoba are staffed by the Secretary-Treasurer alone, or with the Secretary-Treasurer and one Assistant. Because of this, you may ask: "How can modern office routine and use of machines assist in a one or two-man office?" I think the answer lies in the fact that the average small office carries more burden of detail per person than the larger offices, where responsibilities for any given task can be delegated amongst the Staff on a wider basis. In other words, the person in charge of a small office has much more to look after than the person in charge of a large office. Notwithstanding this fact, it is interesting to note that the trend towards mechanization of office procedures is much more evident in larger municipalities than in smaller municipalities, yet, I firmly believe the volume of detailed work which must be done in the small office makes it necessary for us to search diligently for new, improved procedures.

The majority of Manitoba municipal Secretary-Treasurers use a Columnar Tax Roll. This is a ruled form 17 inches by 23 inches in size, and both sides of the sheet must be used to record the Assessment and Tax Rates. A sheet this size is quite cumbersome. Use of the Columnar Tax Roll requires that the roll must be re-written each year - that is, we must enter the name and address, to-

gether with the legal description of the land and the assessed valuation. There must be carried forward from the previous year's roll, any unpaid balances of prior years' taxes. This Roll must be summarized and balanced after the Tax Rates for the various purposes have been inserted. After that, Tax Notices are written out and mailed.

I believe all municipal Secretary-Treasurers will agree that the preparation of the Tax Roll and mailing of the Tax Statements constitutes one of the most important tasks in a municipal office. Some municipalities have installed Addressograph equipment, and it has been found that the use of Addressograph equipment not only speeds up the work but eliminates error in transcription. The same plates as are used for the Tax Roll can be used for mailing the Tax Notices, and the result is that EXACTLY the same information as appears on the Tax Roll appears on the Tax Notice.

In the Province of Alberta, it would appear that an increasing number of municipalities are going into tax accounting machines similar to the tax accounting machine installed in St. James' Municipality by Mr Voelker this year. Some large cities use punched card accounting systems for Tax Rolls. Time will not permit me to go into detail concerning the various machine accounting systems, but I do feel that large municipalities should investigate this type of tax accounting.

A number of municipalities use card record systems for Tax Rolls, such as the Cardex System of Remington-Rand or the Acme system which is handled by Willson Stationery. This permits the use of a ten year Tax Roll - the completed assessment and tax roll for ten years being produced on two cards each 8 inches by 7 inches in size. When you compare this to the Columnar Tax Roll, which is used for only one year, I am sure you will realize at once that it is a concise and simple method. It has one other advantage. When I was a boy going to school, I was always taught to add up and down, not across; yet the use of the Columnar Tax Roll requires additions across the sheet. The use of the Cardex type of Roll permits normal, vertical adding.

A large number of Saskatchewan rural municipalities use a ledger-type Tax Roll, which first came into use back around 1937. I am sure that the continued use of this ledger Tax Roll over the years indicates clearly that the Saskatchewan municipal secretary-treasurers are satisfied that a ledger-type Tax Roll is a good system and perhaps some of us could investigate this and see whether it could be adapted for use in Manitoba.

Personally, I favour the Card System combined with the use of Addressograph equipment. The cost involved in installing a card-type Tax Roll, together with the purchase price of an Addressograph is, I believe, very little more than the cost of ten complete sets of Columnar Tax Rolls and the Binders for them. My experience has been that Tax Roll work has been performed much more rapidly and with less element of error through use of a visible Card Record or Ten-year Tax Roll.

Preparation of Voters' Lists

There has been an enormous increase in the population of a number of Manitoba municipalities during the years since the end of the war. There has also been an extremely large increase in the number of taxable properties that change hands each year, and each time a parcel of land changes hands it results

in a change being required to be made in the municipal records.

A change in ownership requires decision of a Court of Revision ordering the name of the new owner to be entered on the Assessment and Tax Roll. It necessitates a change in the Voters' List also. I think we could simplify much of our work in this connection through use of a 'progress chart' or 'routine change list'. What I mean by the use of these words is simply that we should realize at the outset all the changes that naturally follow from any one change in ownership, and gear our routines to take care of everything connected with the change at the same time.

For example, we could eliminate a number of complaints of new owners whose names do not appear on the Voters' List at election time if we were to keep a master voters' list. This could be accomplished by use of 'line-dex' or other similar equipment, and by following a practice similar to that used by telephone companies for use in their information service. As a property changes hands, after the Court of Revision has dealt with the change, we should attach to the copy of title, or change of owner form (where the change is one of real owner), a routine slip on which we have listed all the necessary changes required to be made in municipal records. A space could be allocated for initialling by the Secretary Treasurer to ensure that each change had been made. The name of the previous owner could then be removed from the 'line-dex' master copy of the Voters' List and the new owner's name inserted in its proper alphabetic sequence.

I have been giving consideration to installation of this type of equipment. We have approximately nine thousand names on our Voters' List, and approximately one thousand properties change hands each year. Under our present system, it is necessary to check the census records for each inhabitant of the municipality each year. This means a tremendous amount of detailed checking before the Voters' List is printed. I am convinced that I can cut down the amount of work through installation of 'line-dex'. Instead of handling nine thousand census cards each year, we will only have to change the one thousand resulting from new owners and residents. This will result, I am sure, in a vast saving of time. Perhaps some of my listeners have other time saving ideas for preparation of Voters' Lists, if so, I would be glad to have them discussed, because the preparation of Voters' Lists is becoming a very arduous task, especially in suburban municipalities.

Accounting Procedures:

One of the greatest aids to efficiency in office routine is to try to simplify procedures to as great an extent as possible. A good aid to simplification of accounting procedure is achieved by the codification of accounts. Every entry that is made in any of the accounting records of the municipality ultimately finds its way into the general ledger, and from there to the annual financial statement. For convenience in preparation of statements, whether they be monthly statements prepared by the Secretary-Treasurer or annual financial statements prepared by the municipal auditor, every account in the general ledger can be set out in the same sequence and under the various sections as they are listed in the last financial statement prepared by your auditor. That is, your general ledger will be made up in sections containing: (1) Revenue Assets (2) Current Liabilities (3) Trust Assets (4) Trust Liabilities (5) Capital Assets (6) Capital Liabilities (7) Replacement Reserves Section (8) Revenue Section (9) Expenditure Section.

Under this system the receipts register will contain a number of columns headed in exactly the same order as the headings of the various accounts in the general ledger, and the disbursements register will likewise have columns headed in the same order as postings from it will follow in sequence the accounts in the general ledger. The month end posting of the general ledger is greatly facilitated because each entry follows in direct order and after the general ledger has been posted, it is a simple matter to transfer the balances of assets and liabilities on to the monthly statement by inserting the monthly statement form in an adding machine and simply punch the balances shown in the ledger one by one in proper sequence. The same procedure can be followed for all sections of the general ledger and for the receipts and disbursements as well as for the revenue and expenditure statements.

Filing Systems:

Now I suppose no talk on modern office routines and procedures would be complete without some mention of office filing systems. Indeed, the first stage in successful office administration has been said to be the planning stage. It is just as important for us to plan our office routines and procedures as it is to prepare a budget each year. We must, if we want to be efficient in our everyday work, plan our office work as effectively as we plan any other phase of our activities. An office that operates hodge-podge without any system or plan cannot operate efficiently. In fact, in handling our office work, we must plan ahead constructively the order in which things should be done and the method of doing them. This means we must be orderly about our procedures.

One of the basic starting points in office control, indeed the most important in some respects, is the institution of a proper filing system. Present-day filing systems are far more effective than they were when most municipalities were first organized. Yet it is surprising the number of offices that have not modernized their files during the intervening years. No municipal office can function efficiently without a good method of keeping records. To be able to produce a certain record without unnecessary delay at any given moment is an important aspect of filing. Some records need to be kept indefinitely, and we must know where to lay our hands on them at any time. A flexible, easy to operate filing system designated to meet specific requirements of your office will prove its worth, and will be a time-saver for you. Office stationery firms such as Willson Stationery, Remington-Rand and Office Specialty can supply you with up-to-date filing methods and assist you to get the most out of your files. Most municipal offices seem to use a simple alphabetic filing routine. In a small office, ordinary alphabetic filing that allows for some expansion can be used. Larger offices would do well to investigate either numeric or subject filing. One of the most efficient filing systems I ever ran across was that used in the Armed Forces. It was a numeric system based on code numbers for each phase of activities. If ever the time came when we desired to standardize our filing procedures so that each office would use the same filing practices, I am sure that with some slight modifications, we could produce an effective numeric system to serve our needs.

File storage is also important. In the modern office most files are housed in counter storage cabinets thereby making good use of space that otherwise would become a ready catch-all. What to do about your old records is another vexing problem that modern methods can overcome. Small photographic reproductions of important records that otherwise could not be destroyed can

now be made and housed in a small compact space.

The main thing in the filing of records is to know where the record is filed. It is a funny thing that usually one needs to look something up after it is filed, but very seldom before it is filed. We should get into the habit of using a good filing system, and once it is underway keep the habit. If you want inspiration in setting up a workable system, I would recommend that the next time you go to make a purchase from a tobacco and cigarette stand operated in a number of office buildings or in the Legislative Buildings by the Institute for the Blind, you pay particular attention to the operator. Although he has over one hundred different items available for sale on his stand, he can always produce what you ask for without any delay because they have a specified place for everything and everything is kept in its proper place. He reaches for and obtains the desired article through course of habit. That is why we should develop the habit of filing properly, and we will gain in efficiency by doing so.

Office Appliances:

I am sure you will realize that it is impossible for me in the half-hour allocated for this topic to go into detail about all the modern office aids available to the Secretary-Treasurer and Staff of a busy municipal office. However, before closing, I feel I must say a word or two about office appliances such as typewriters, adding machines, duplicators, cheque writers and postage meters. During the last few years, great forward strides have been taken in production of office appliances. Electric typewriters are now available that are especially useful in offices where up to twelve or fourteen copies of reports such as Council Minutes are required to be prepared. I can say from experience that the electric typewriter increases efficiency and is more speedy than the ordinary typewriter. Another useful machine in a municipal office is a calculator. If you require an adding machine and feel that you cannot afford an automatic non-ribbon type calculator in addition, then you might investigate a printing calculator. I think this is one of the most versatile office aids available today. It adds, multiplies, subtracts and divides, and can be used as an ordinary adding machine or as a calculator. Duplicating machines are also a great help to us, and no municipal office should be without one. This was clearly demonstrated in the case of my own office. Until a few years ago, it was customary for us to have our Voters' Lists printed each year. With rising costs, the price climbed year by year until it reached almost one thousand dollars each year for printing a Voters' List containing about nine thousand names. In addition, the task of proof-reading the printer's copy after the type was set necessitated hours of overtime work. We bought a duplicating machine and proceeded to make our own Voters' Lists and this has resulted in a reduction of some seven hundred dollars expense each year.

Now in conclusion, I hope that I have given you something of interest. I realize that my talk has not been as detailed as I would have liked to make it, but time would not permit because each of the various items I have discussed is in reality a subject for discussion all by itself. There are amongst my listeners some who have pioneered in mechanization of office procedures and I would invite them to discuss their procedures during the next fifteen or twenty minutes. I recently read two quotations which I think should be passed on to both elected municipal officials and secretary-treasurers. "The greatest source of waste in business, industry and government service, is the failure of people to live up to their possibilities. It has been said that most of us use only one-third of our potential capacities. If so, one goal of the administrator is to

develop still more capacities". AND "Executives are paid to think, to plan, to initiate and to execute. The pile of work on his desk, or the hours he spends in the office mean nothing. His standard is the quality of the ideas he develops and of the results he gets".

KNOW HOW AND KNOW WHY

by

Professor A.E.R. Tweedie

When considering remarks suitable for an occasion of this nature, I was, like other observers of the activities of this week, impressed by the fact that those secretary-treasurers who are attending this course have devoted much time to a consideration of methods whereby the standards of their profession might be improved and maintained. Against this background, it might be desirable to invite investigation of the basic reason why it is now considered desirable to set up and maintain professional standards.

This thought might be developed further to suggest that it is now desirable to consider, in general terms, the difference between "know how" and "know why". It may be that, particularly on the North American Continent, we are suffering an over-dose of "know how". It is certain that we are achieving an increasing measure of technical efficiency in the conduct of our daily activities, and even more so in the conduct of that body of research which will ultimately affect our daily activities. It is far from certain that equivalent attention is being paid to questions which lie not in the field of technical success, but in the broader, and often more meaningful field, of "know why".

By the nature of their occupation, secretary-treasurers are regularly brought into direct contact with a cross-section of the population and their attitudes and remarks, however casual, are thereby likely to produce a greater public reaction than are the attitudes and comments of those whose field of contact is much less wide. Accordingly, secretary-treasurers are in the position, whether they wish to recognize the fact or not, to exert considerable influence in the building of community opinion. It might be desirable if they were to exert this in the direction of encouraging a public examination, not of the techniques involved in "know how" but in the attitudes involved in "know why".

This is particularly important in the growing Canada of today, when old communities are rapidly forging ahead, and new communities are taking shape. Many new Canadians who have joined us are refugees from a situation in which political and economic restrictions were too great for them to accept. It might be desirable to recognize that we may have also in our midst some new Canadians who are in fact, refugees not so much from economic distress or political authoritarianism, as from intellectual dictatorship which progressively sought to mould the individual rather than to allow him freedom of speech, thought and action.

The contribution which this type of "displaced person" can make to the development of Canada of tomorrow may be in direct relation to his feeling of intellectual and spiritual freedom, quite distinct from any feelings of political freedom and economic self-sufficiency.

A facet of this argument may be noted in an extract from an editorial

in a recent issue of the London Times which said, "A country made great by resourcefulness and energy is in many places slowly strangling itself with restrictive practices by a placing of convenience and comfort before efficiency and productivity, by a plain disinclination for hard work." Those who, no matter from what country they come, have elected to seek Canadian citizenship, may have done so because of their opposition to such a situation, and may be seeking in Canada the type of life which offers them this form of intellectual and spiritual freedom and satisfaction as well as the more obvious forms of economic self-sufficiency and a reasonable degree of material comfort.

If there is, as I believe is the case, a growing body of new Canadians whose motivation in seeking Canadian citizenship is as I have suggested, it becomes increasingly important to insure that they are absorbed into the Canadian community on all levels, in terms which will afford them some guarantee that their basic desire for freedom in this area is observed, and that they are not required to live in a community in which the material rewards of advanced "know how" are sought to the exclusion of those other rewards which are obtained only by closer consideration of what is involved in "know why".

The influence of secretary-treasurers in helping to develop the communities in which these new Canadians will make their contribution is likely to be great. I therefore make no apology for calling to your attention the fact that the future development of the Canadian community lies not solely in the field of material advancement, but has within it certain elements which may best be studied only when acceptance is given to the fact that "know why" must at all times keep pace with "know how", and must, at certain times march several paces ahead.

THE ORIGINS OF MODERN BRITISH LOCAL GOVERNMENT

by

PROFESSOR W.L. MARTON

In so brief a treatment of so large a topic it will be well to begin with two or three definitions. By "local government" the British mean what we Canadians call "municipal government". By local, or municipal, government in this paper I mean the administration of local affairs carried out on the spot by local people. And by the term "modern" used in this context, I intend the period between 1833 and 1933, though most of what I shall have to say will deal with the early years of the period.

In Great Britain all government is of one of two kinds, central and local. The central government consists of the monarch, the courts, the Departments of Government, and Parliament, and deals with all general and national matters. The competence of the central government is, of course, unlimited. The local governments are limited in area, subordinate in jurisdiction, and confined to the administration of local affairs; in short, are municipal, not sovereign governments.

It is perhaps with surprise, therefore, that the student of British local government learns that English local government is older than the central government of the United Kingdom. The local government of England is Anglo-Saxon in origin, the central government is largely Norman-French in its institutional beginnings. Even if one claims, as one might, that the monarchy begins with Alfred, the units and institution of local government are older than Alfred. In a sense, indeed, England was made by its Saxon kings harnessing together local governments.

It is not the purpose of this paper, of course, to explore these origins; they are noted only because British local government in 1833, as even today, had many elements which had come down from pre-Conquest times. For example, the oldest known and the smallest territorially of the units of local government was the Saxon township. It is with us still in Manitoba, but only as a unit of survey. But it was the first and most elementary form of Saxon government with its "moot", or meeting of the men of the township for the administration of local justice and local government, as it still exists, for example, in a much modified form in Ontario and in the New England town meetings. Next above the township in size was the hundred (or tithing, rape, or wapentake) which was chiefly concerned with matters of police. Next was the shire, or county, the largest and best known of the units of local government; we have counties in Canada east of Lake Superior, indeed, had them as units of local government for a few years in Manitoba, until the county form of government proved too expensive for a scantily populated province with a relatively low assessment. Finally, there was the borough, originally a fortified place, but which became a unit of urban local government, and, like the county, a unit of parliamentary representation when after many centuries Parliament came into being, with its

House of Commons, that is, of communities, of the counties and boroughs of England.

All these units of local government were flourishing, if changed in many respects, in the England of 1833. One of them, indeed, had undergone a change of name as well. The township was then known as the parish. For the parish of England, roughly speaking, coincided with the township, as in feudal times, the township in probably the majority of cases had coincided with the manor. When the manor and its court - before 1833, nearly all local government was done in a court by judicial process - fell into disuse, the Tudor parliaments, faced by the social problems caused by the rise of commerce and the enclosure movement, looked about for some local government people on whom to impose responsibility for dealing with those problems. They lighted on the parish, which with its general meeting, its vestry and its church wardens, looked like a body capable of doing a job of local government. Thus the parish, without ceasing to be the basic unit of ecclesiastical government, became a unit of civil government also, as, in a sense, the parishes of the Red River Settlement did in the early years of Manitoba.

The chief task imposed on the parish, we must note, was the care of the poor - that is, everyone unable to provide for his own support, including those we should call the unemployed. A great series of statutes in Tudor times, culminating in the Acts of 1598 and 1601, created the Poor Law, made it the obligation of the parish to provide for its own poor and to levy a rate - or local tax - to provide the means. Thereafter, it is instructive to observe, the Poor Law remained the major concern of English local government until early in the present century, and the study of English local government is primarily a study in the administration of the Poor Law down to 1909.

One other great change in the pattern of English local government was the rise of the Justices of the Peace under the Tudors to the position of being the actual governors of the parishes and counties of England. There are many reasons why the local government of England, outside the larger boroughs, should have passed into the hands of the local gentry. But the chief reason in this context was that most of the work of local government was, not a duty performed by paid officials, but an unpaid obligation laid on the ordinary subject, such as the obligation to perform six days statute labour with his team on the roads, or to be one of the "watch and ward" which policed the parish, county, or borough. When they failed to do this, and they failed faithfully, they were presented before the Justices of the Peace in Petty, Special or Quarter Sessions and fined for the dereliction. The fine went to pay for the work that had been left undone. Indeed the Justices of the Peace might legislate as well as tax, as they did when they introduced the Speenhamland system of poor relief in 1796.

Of English local government, so formed and conducted, one may say quite tersely that by any standards, ancient or modern, it was hopelessly corrupt and inefficient by 1700. One may instance the "corporations" of the boroughs, nominally the representative government of their towns, but usually in fact closed, often hereditary, bodies, who spent the revenues in feasting and drinking, and buying themselves ever more costly official robes. The reaction of the parliaments of the eighteenth century, however, was not to reform this picturesque but inefficient tangle of local government. The procedure they adopted was to give special powers by private Act of Parliament to parishes or boroughs which might ask for them, or to create what were called ad hoc commissions, that is, special bodies with specific functions, such as a Paving Commission for Lower

Footsole, or a Sewage Commission for Nether Underclose, or a Turnpike Trust to improve a road the parishes had failed to keep up. So extensively was this procedure followed that by the beginning of the nineteenth century the original pattern of local government was spotted over with a patchwork of special bodies, some of them most effective, some soon becoming as inefficient and corrupt as the older units.

Before tracing the great changes in local government which were to follow the Reform Bill of 1832, which gave the vote to the English middle class, it would be well to list the main characteristics of the old kind of local government. It was, in the first place, severely local; the central government did, and could do little to supervise and control it. It was governed and guided by custom and common law rather than by statute. It was, in theory, at least, government carried on by the unremunerated performance of public obligations. In consequence, it was government carried on much less by administrative than by judicial process. That is to say, a town did not levy a tax and pave the streets; by common law or custom every shop keeper or householder was obliged to pave the street in front of his premises. If he failed to do so, he was haled into court and fined, the fine paying the cost of doing the job. The result was usually a street of mixed potholes and flagstones, and hence the Paving Commissions.

As already implied, the 1830's saw great and long delayed changes in the government of the United Kingdom, both central and the local government, but especially in the latter. These changes were a result of the whole historical development of British society, the new enclosure movement, the Industrial Revolution, the Evangelical Movement, the beginnings of radical democracy. We may, however, point to two which especially affected the development of local government.

The first of these was an ideal factor, the formulation of the Utilitarian philosophy by Jeremy Bentham. Bentham, a queer little man with a great systematizing intellect, spent his life writing projects of reform in law and government. He drew around him a small band of followers, among whom James and John Stuart Mill were numbered, and of whom Edwin Chadwick, secretary of the Poor Law Commission of 1833, was the latest and most favoured. Of these men and their work G. N. Young has written: "They came down into a world where mediaeval prejudice, Tudor Law Stuart economics, and Hanoverian patronage still luxuriated in wild confusion, and by the straight and narrow paths they cut we are walking still." That is true even in this country, for Durham was much influenced by the Utilitarians and like them, a great advocate of democratic municipal government.

The Utilitarians summed up their philosophy in the maxim of the "greatest happiness of the greatest number". That was the end of government, and the end was to be achieved by economy and efficiency. To be economic and efficient, government had to be systematic. Local government, to be systematic, had to be centrally supervised. These concepts were written into the Report of the Poor Law Commission of 1834 by Chadwick. His latest biographer, S. E. Finer, writes that "... the administrative proposals of the Report... have proved the source of nearly all the important developments in English local government, viz., central supervision, central inspection, central audit, a professional local government service controlled by local elective bodies, and the adjustment of areas to administrative exigencies."

As this quotation indicates, the Benthamites believed not only in a

centrally supervised system; they believed also in expert administration and democratic control. They believed in the expert because they expected him to be honest and efficient where the officials of the old amateur system are corrupt and wasteful. They believed in democracy, because they thought it was only by the identification of the ruler and the ruled by the ballot that government could be kept from exploiting the governed. (It was Bentham who coined the slogan "one man, one vote", which in Canada became "representation by population.") But they did not propose to make the old units of parish and county democratic. The best that could be hoped, they thought, was to filch the more important matters of government from those bodies and turn such matters over to independent and elective boards. Thus the new Poor Law was not, like the old, to be administered by J. P.'s and churchwardens, but by elected Poor Law Guardians in Unions of parishes big enough to support adequate poor houses. This continuation of the ad hoc devices of the eighteenth century was to leave a great mark on British local government, as indeed it has on our own, for our School Boards are a Benthamite inheritance. On the other hand, the boroughs, excepting London, were reformed by making the Mayor and Councils elective in 1835; the Squire and the Parson were not so strong in the boroughs as in the counties.

If the Benthamite philosophy factor may be termed an ideal one, the second to be cited as a major cause of the great changes in local government in the 1830's may be called practical. It was the rise of the industrial economy, the new cities and of middle class democracy,

The Industrial Revolution brought with it the new factory towns, which went up as quickly as our prairie cities did at the beginning of this century. The result was the creation of insanitary slums, so harmful that it reversed that fall in the death rate which had begun in the eighteenth century. This was a phenomenon of London, the industrial midlands and the North. In the south of England there was great wretchedness too, but here the cause was the poverty of the agricultural labourer. Agricultural wages were low and the Acts of Settlement, which permitted the unemployed and indigent to obtain relief only in their own parishes, kept the labourers from migrating in sufficient numbers to the new towns of the north or to the colonies. Rural poverty in the south and periodic unemployment in the North meant an appalling burden on the poor rates, and one of the first acts of the reformed Parliament was to push the Cabinet of Earl Grey into appointing the Poor Law Commission of 1833, with all the changes it was to effect in local government.

With the Industrial Revolution, the English middle class asserted itself. Its new wealth and power, its hard practical ideas of economy and efficiency, made it contemptuous of the splendid wastefulness and neighbourly corruptness of the landed gentry. They demanded and got a share of political power in the Reform Bill of 1832. It was to members of this class that the Poor Law of 1834 and, still more, the Municipal Corporations Act of 1835 gave control of the Poor Law and the boroughs. The country side, except for the Poor Law, remained under the control of the gentry for another half century.

The changes had begun, however, and were carried forward irresistibly by Benthamite and humanitarian reformers, by the continuation of the Industrial Revolution and of the growth and wealth of the urban middle class. There was, indeed, a kind of inner necessity in the process. The Factory Act of 1833, which limited the hours of child labour, for example - and another piece of legislation Chadwick influenced - gave off two by-products. One was the principle of central inspection, necessary if the Act was to be enforced. The other was the beginning of state-supported education, since it would not do simply to

shut the children out of the factories to leave them in idle mischief in the streets. And Chadwick, wrestling mightily as Secretary of the central Poor Law Commission, found himself faced with problems of education and sanitation. The purpose of the Poor Law of 1834 was to make work preferable to relief. But how could ignorant and sickly people be driven to work? Only by being made enlightened and healthy. So the great reformer was driven to spend more of his time on plans for education and health than on the Poor Law. From his effort in the latter field, aided by the return of Asiatic cholera in 1847 and 1854, was to come the Board of Health of 1848, and the many later developments which led Disraeli to say of government in the 1870's, "Sanitas sanitatis, omnia est sanitas." The central change which was proceeding, it may be said by way of summary was one from personal and collective responsibility for the performance of basic services to collective responsibility for a widening range of services, and to collective action under general regulation and at local initiative to perform and extend those services.

It is not possible to trace this latter development in any detail. Slowly a system of local government was formed, and crowned by the creation of the central Board of Local Government in 1871. Slowly rural local government was democratized, notably by the Act of 1888 which established elective County Councils, and the Act of 1894, which made the establishment of elective Parish Councils permissive. A strong tendency developed to do away with ad hoc boards and to bring all matters under the control of parish, county, or borough councils, as Education was by the great act of 1902. Much was done in the puzzling and vexatious field of the adjustment of areas to function. The Poor Law was liquidated in 1909-1911, and finally in 1929 and 1933 the whole system was revised and consolidated - only to find that war and the social service state were to demand new adjustments in local government.

Certain comments may perhaps be offered on this sketch of the origin of British local government. The first is the inevitable one of how important, how practically important, municipal government is. It is government which is daily, immediate and indispensable. If Ottawa were to slide into its river, we should be shocked, but not immediately disturbed. But if the municipal government and services of Winnipeg were suddenly to dissolve, most Winnipeggers would be saved only by flight or death by thirst from perishing in their own filth. The second comment is to note the centuries old British insistence that local government must be popular, which in the last century has meant democratic. It must, that is, engage the citizen's interest and loyalty, and command his best service. There can be municipal government which is not democratic, but it is not the kind we have known, and it does not even attempt what is perhaps the prime function of municipal government, as Durham remarked, the training of active citizens.

While, however, municipal government is indispensable, and while we believe it ought to be democratic, experience has shown that central supervision and direction are necessary if municipal government is to yield its best results. On this point, one can do no better than to turn to John Stuart Mill who in Representative Government wrote: "The authority which is most conversant with principles should be supreme over principles, while that which is most competent in details should have details left to it. The principal business of the central authority should be to give instruction, of the local authority to apply to it. Power may be localized, but knowledge, to be most useful, must be centralized; there must be somewhere a focus at which all its scattered rays are collected, that the broken and coloured lights which exist elsewhere may

find there what is necessary to complete and purify them."

Then too, one may note the long struggle between the "compendious" authority, the local authority which looks after all functions of local government, and the special authority, devoted to some one function. Which is the better principle to follow in local government? Should, as I myself think, Education come under the municipal councils, or remain under separate boards? Was there ever a case for bringing the Provincial Hydro system under municipal control, or the Provincial Telephones? These questions are asked only to suggest that history seems to indicate that here we have a problem for which there is no final solution, but only particular solutions according to time and circumstance.

The same may be said of the problems of adjusting area to function. The shires of the Saxon kings are perhaps not the best units for local government in the twentieth century, the boundaries of Winnipeg of 1874 perhaps not what they should be in 1953, the rural municipalities of 1884 perhaps not big enough for the administration capacity, the shifts in population and the motor traffic of 1953.

In summary, British local government, in which we may include our own, presents at any moment of history a set of equilibria, of compromises, among alternatives, between expert administration and representative democracy, central and local control, function and area, compendious authorities and special authorities, tradition and reform. Today the advantages are all on the side of the expert, of the central government, of function and special authorities. Of reform rather than tradition. In consequence we face, if indeed we have not already incurred, the danger of losing what is most characteristic and precious in our municipal government, namely, that it is in very fact both local and democratic. Only strength, quality and devotion in municipal representatives and officials can prevent the central authorities, in the day of the welfare state, from willy-nilly taking over the administration of municipal government.

Does this sketch of the origins of modern British local government suggest any preventative of such an untoward outcome of present developments? Perhaps it does suggest that the test of vitality in local government is that it should touch the interests, arouse the loyalty and command the services of the best citizens. What factor chiefly ensures that municipal government will meet this test? We all feel it ought to do so, because we are all convinced of its importance. I think, however, that the essential matter is not that of the importance of any given detail of municipal government. The really decisive thing is the bigness of the whole job a unit of municipal government is required to do. A unit must be big enough and its functions complex enough to require and stimulate capacity in the elected representative and the appointed official, to demand order in the transaction of business and to inspire decorum in all its proceedings. In short, I would conclude with the proposition that in this Province we ought to be thinking in terms of larger units, with heavier and more general responsibilities. Let our slogan be, unification locally, decentralization provincially. Only so, I believe, can we keep our municipal government at once local and democratic.

PROBLEMS OF LOCAL GOVERNMENT RE-ORGANIZATION

by

MR. ELSWOOD F. BOLE

The problems of Municipal Government Reorganization are many. The fact that the problems are many are the best reasons for examining them, discussing them and trying to establish guiding principals that have common application,

Basically the problem is to provide services to people in groups that it is not possible or economical for them to provide for themselves.

The discussion usually works its way round to the two basic problems of - 1. how many people as taxpayers or how many dollars of assessment are required as a taxation base to finance the service required, and - 2. on what sized scale or operating unit can you get adequate service at lowest cost.

These are the two basic principals that I propose to discuss to-day and some of the problems of application.

Let us examine what I call basic principles and reasons for calling them that.

1. How many people are required as taxpayers or how many dollars of assessment are required as a taxation base to finance a service is of course related to the size of the unit of service required, and to the amount of capital funds required in addition to the operating cost.

An example I can think of at this time is how big does an Urban or Suburban unit have to be to finance the building and operating of a secondary school (High School).

It is important to separate in our thinking the problems of financing the building and financing the operation. In this case the size suitable to finance the operation takes precedence as it continues for the longest time and is the biggest factor in the long term cost.

The financing of a school has led many Municipal and school administrators to look with jealous eyes to the larger unit that appears to have advantage in borrowing power over a longer period for repayment. It is better to work on the Problem of how to borrow for capital financing than to give up in many cases the economies of a small unit.

I have dealt with it on the basis of schools but let us examine it on the basis of Public Works. To-day the type of road grader that is most effective is one that costs between 15-25 thousand dollars. This type does the work that is required. It is not feasible or economical for a very small Municipality to purchase and operate a grader unit of this size. Therefore this tends to push the size of the operating unit up to where the minimum requirements

can be met and used.

It is rather interesting on the next point as to what size unit can give adequate service at minimum cost. There has been a group of theorists who have propounded the theory that the larger the unit of administration the lower the per capita cost.

The examination of this point by analysis of administration units in Manitoba and elsewhere indicate the larger sized unit if any change increase in costs due to pyramiding of supervisory personnel to direct the effectives.

In other services such as Police and Fire when the point of reasonably adequate protection is reached, the very large group tends to demand and get equality of equipment and manpower in each area, regardless of the need. This has been a factor in increasing costs.

Gradually there emerges the fact that if the Municipality is too small it cannot provide the service and if it is too large it costs too much.

What is the minimum size for Rural or Urban Units.

You will recall these passages in the Provincial-Municipal Committee report as follows:

Rural "REPORT OF THE EXPLORATORY SUB-COMMITTEE ON THE ORGANIZATION OF
LOCAL GOVERNMENT SERVICES OUTSIDE THE GREATER WINNIPEG AREA."

The Sub-committee believes that some municipalities should be enlarged so that all are of a size that would measure up, approximately, to the following standards:

1. Taxable assessment; three to five million dollars.
2. Maximum population; to be in the vicinity of 6,000.
3. Size: 15 to 18 townships or 30,000 to 40,000 taxable acres.

The Sub-committee does not expect that the consolidation of municipalities would result in substantial decreases in cost but it would produce improved facilities. There is a tendency to supply services according to means at hand. To what extent service rendered may vary in municipalities of different sizes is difficult to establish.

"REPORT OF THE EXPLORATORY SUB-COMMITTEE ON THE ORGANIZATION OF
LOCAL GOVERNMENT SERVICES IN THE GREATER WINNIPEG AREA."

Metropolitan

The Sub-committee inquired into the possibility of organizing on a metropolitan basis the following services as well: fire protection, police protection, and education. In connection with fire and police protection it was generally agreed that organization on a metropolitan basis would be likely to increase costs substantially without bringing a corresponding increase in benefits received. It was pointed out that at least two attempts have been made in the past, without success, to organize a metropolitan fire department. There exists, furthermore, the complicating factor that the City of Winnipeg requires particularly expensive fire and police services owing to the heavy concentration

of large buildings in the downtown area and the heavier incidence of crime inevitable in a metropolitan centre. It was suggested that there might be some unfairness in obliging the municipalities to contribute to the cost of expensive services which are required in Winnipeg alone. On the other hand it was contended that the main business districts in Winnipeg furnish jobs and necessary facilities of all kinds to residents of the suburbs as well as to residents of the city itself and consequently that if the existence of these districts gives rise to special fire and police problems, suburban residents should share in the cost of handling these problems, as they benefit, along with the people of Winnipeg, from the presence of those business and other facilities which caused the problems to exist. Another suggestion put forward was that some suburbs are able to maintain fire and police services which are actually inadequate for their needs, because in an emergency they could call upon the extensive resources of the Winnipeg fire and police departments; therefore, it was claimed, the City of Winnipeg is, in effect, maintaining stand-by facilities which supply protection for the suburban municipalities as well as for the city itself, although the city alone pays for the cost of their upkeep. After weighing the pros and cons the Sub-committee agreed that it would generally be most advantageous to maintain the present organization of fire and police facilities, with every encouragement given, however, to further arrangements for cooperation between the municipalities, in addition to those which already exist.

In regard to education the Sub-committee took the view that where the operating unit was below some minimum size, the facilities and range of courses available to students would be less than satisfactory. On the other hand it was agreed that an operating unit might be too large as well, involving the need for considerable supervision which would add to costs without adding correspondingly to benefits received. Precisely at what point a unit becomes too small or too large is, of course, a matter of opinion. The Sub-committee felt that the school systems of several suburban municipalities (and of course of the City of Winnipeg) were already large enough to provide reasonably adequate facilities for primary and secondary education, and consequently no great benefits would be gained by them in being amalgamated into a larger school district. The Sub-committee agreed, however, that several of the school units operating within the metropolitan area were too small and that amalgamation of them into larger units would be advantageous. In those municipalities which contained two or more school districts, this might be achieved merely by amalgamating the several school districts of the one municipality, thereby creating one school district coterminous with the municipal boundaries. Where the municipality itself formed too small a school district, amalgamation of that municipality with other municipalities (as recommended below) should be accompanied by a corresponding amalgamation of the school districts."

The reason I have dwelt on these points to-day is that until these points are understood and accepted we will not have the amalgamation of the sub-sized Municipal Units or avoid the demand of the large unit to get larger.

The lack of services is providing a certain pressure toward amalgamation in sub-sized units. When the demand of the people in these areas becomes insistent the administrator of the Municipal Government or the Provincial Government will take action to bring it about.

It would be better to have a long period of discussion as to how the groupings should be made next, than an arbitrary decision that could be so woefully wrong and costly.

The group that makes the final recommendation or decision will have to consider many factors, some of which will be not only the ones we have discussed this morning but the community of interests, the natural movement of people to and from markets. The natural dividing barriers such as rivers. The ease and economy of administration and operation. The future development of the community. The anticipation of services demanded for the future. The avoidance of duplication with the Provincial services.

These are just a few of the considerations, there are many more, some that are common to all, some that are peculiar to localities. There is a danger that due to the many problems involved and the feeling amongst groups that their local autonomy or control would be lost in amalgamation. That the fear of joining with other groups involves them in larger costs than can be afforded. These will all tend to avoid change.

It appears to me that what will be necessary is for study groups to be started in each municipality to initiate the discussions.

A Commission, or Committee could do the job but some group should be charged with the responsibility of sorting out this problem.

The Province could be asked to have the Municipal Board appointed, (as recommended in the Provincial Committee Report). They would conduct studies and hearings as to the changes required in Municipal Boundaries for the future. They or some other group could carry out this function.

DRAMATIZATION OF THE PREPARATION OF A MUNICIPAL BUDGET

Conducted under the direction of
MR. PAUL KENWAY, C.A. and
MR. J.F. KEELEY, C.A.

Introduction - Mr. Keeley

In the past considerable emphasis has been placed on the importance of the budget, particularly in municipal affairs. It is significant to note that this emphasis is being maintained since you are constantly reminded - at times even exhorted - to keep expenditures within the estimates.

There is good reason for this emphasis. The financial fortunes of a municipal corporation rest upon the ability of those entrusted with them to follow, as closely as possible, the plan of action set out in the budget. A municipality is a business operated for the benefit of its shareholders, the people. It is essential, therefore, that the preparation of the estimates be given the care and business like thought necessary to successful administration.

Now let us consider some of the principles of budgetting.

The preparation of a municipal budget differs somewhat from that in commerce. Generally speaking, the commercial enterprise first explores its sources of revenue and estimates the return expected before considering the costs of earning that revenue. In a municipal corporation the procedure is, or should be, reversed. The costs of providing the services to be given are first assembled and then the means of providing those services considered. The proposed expenditures must not be set too low lest overexpenditures deplete cash reserves; on the other hand they must not be higher than can be afforded by the ratepayers. In fact, the Municipal Act has set a limit to provide some protection for the individual.

However, a budget is not a true budget unless it is balanced. You must offset your expenses by your sources of funds to meet those expenses. There are three possibilities open to you:

1. The tax levy
2. Other revenue
3. Accumulated surpluses or reserves.

These accumulated reserves could be divided into two classes:

1. Operative Reserves - e.g. Machinery Replacement
2. Investment Reserves such as those created under Section 629 of the Act which cannot be used without the Minister's approval.

This dramatization is not intended to explore in detail the theories

of budgetting. Time does not permit this. It is hoped, however, that it will present a few practical ideas for a workable routine and further that it will answer some questions in the minds of those of you who are relatively new to municipal work.

We are today using a budget committee composed of but three people. In practice this committee might consist of the whole council, the secretary-treasurer and the road foreman. In addition to the work sheet provided for your scrutiny today, there are others which the secretary-treasurer would normally provide for his Committee which show in more detail the various anticipated expenditures. By reason of the limitation of time imposed on us today, we are not submitting this supporting data.

We are being assisted in this endeavor by Messrs. McDonald and Trow who will take the parts of reeve and chairman of finance. Mr. McDonald has been promoted to Reeve, Mr. Trow has also been promoted to Chairman of Finance. Mr. Kenway, a municipal auditor, has perhaps received the biggest promotion of all. I might add in passing, that the Auditors have taken to heart the aspersions cast on their prowess in dramatics in the Secretary-Treasurers' page of the Western Municipal News. We have, therefore, obtained the services of those presumably more accomplished in the Thespian art. Suffice it to say that in this dramatization any resemblance to persons living or dead is purely intentional. We apologize in advance for some of the words we are placing in the mouths of Mr. McDonald and Mr. Trow. They have not yet admitted that they agree with our opinions in all matters. Now, on with the play!

DIALOGUE

REEVE	(TOM)
CHAIRMAN OF FINANCE	(DICK)
SECRETARY TREASURER	(HARRY)

REEVE well, gentlemen, we might as well get down to business. I guess you have some figures for us to work with, Harry.

SEC-TREAS Yes. I prepared a copy of my budget worksheet for each of you.

REEVE How does the picture look?

SEC-TREAS well, these are preliminary estimates only, but they look too high to me, about \$4,000 over last year's actual expenses. The actual budget for 1952 called for \$2,000 less again than was spent.

CHAIRMAN OF FINANCE What would that do to the mill rate?

SEC-TREAS A jump of about 3 mills ordinarily, but as special schools are down, it will mean about 4 mills on to the municipal rates.

CHAIRMAN OF FINANCE High is right. I couldn't face the ratepayers if I agreed to an increase of that size. In fact, Bob Jones was at me some time ago complaining that his taxes had gone up two years in a row. He's a mean fellow with a shot gun, and I'm tired of dodging him.

REEVE A review of the overall picture might be a good starting point. We'll take a look at where the money is coming from before we touch the expenses. Now how about the "other revenue" for 1951.

CHAIRMAN OF FINANCE Pardon me a minute. I'm new at this job of handling the Finance Committee, so I'm going to need to ask a lot of questions which may seem pretty simple to you two fellows. Now, what do you mean by "other revenue", Tom?

REEVE That is any money that the Municipality earns during the year other than by our actual tax levy.

SEC-TREAS Well, I have estimated our tax penalties interest earned, land rentals and Social Assistance grant. The total comes to just about the same as last year.

REEVE And the rest must come from the tax levy, then.

SEC-TREAS Well Tom, I thought that the elevating grader we have to replace this year will be paid for by the machinery reserve. So I show \$6,000 in the expenses for this under Plant and Equipment, but it is offset by bringing \$6,000 from our reserve fund to pay for it.

REEVE That's right. We already arranged that at Council meeting, and that's what the machinery reserve was set up for.

SEC-TREAS The only other source of revenue this year is the mill rate.

CHAIRMAN OF FINANCE Now about this other revenue - could we bump the estimate on tax penalties a little?

SEC-TREAS Our arrears are about the same as they were a year ago, so the penalties should produce about the same revenue.

REEVE It doesn't seem as though we'll find anything there to help us. Let's turn to the expenses.

CHAIRMAN OF FINANCE At the bottom of page 2, Harry, you show budget overexpenditure 1952 of \$2,069.01 as an expense this year. That was spent last year, so why do we bother with it now.

SEC-TREAS By overspending last year we dipped into our cash reserves. Under the provisions of The Municipal Act we had to obtain the authority of the Minister. This authority was given on condition that we levy for it this year to recoup our reserves.

CHAIRMAN OF FINANCE What right has he to tell us what to do? It sounds like dictatorship to me!

REEVE As I understand it, the provision is there to protect us against ourselves. It seems logical to me that if we have provided services required by the ratepayers which they have not been asked to pay for, then we must charge them for it this year.

CHAIRMAN OF FINANCE Now here I see Reserve for Abatement and Loss on current levy. What is that?

SEC-TREAS The provision we must make for any tax cancellations during the year.

CHAIRMAN OF FINANCE Haven't we got a Reserve for that now?

SEC-TREAS Yes, we have, but it is good business to make an appropriation each year to help maintain a sound cash position.

REEVE How do you calculate that appropriation?

SEC-TREAS On the basis of past experience mostly. Our records show that our cancellations annually are equal to from 3% to 5% of our other requirements. I have tentatively used 4% of our requirements as I now have them tabulated. This makes the total requirement about \$3,700.00.

REEVE Isn't 4% a little higher than necessary. Our land at present is mostly productive, and it seems to me that cancellations have been lower for the last two or three years.

SEC-TREAS Well, 3% would probably be adequate. If you wish to reduce it, we can cut our budget expenses by about \$900.00.

CHAIRMAN OF FINANCE Well, we've made a start. But I don't like cutting expenses if it means we must reduce the work we want to do in the Municipality during 1953. Now how about all that cash we have in the general bank account. There was \$20,000.00 at the end of December. If we used a few thousand of that, the mill rate could be held down.

REEVE We tried that a few years ago. After two years of it we were going to the bank for a loan by April, but they wouldn't let us have enough to do all our roadwork that summer before the taxes started coming in. Now that time we really had angry ratepayers. They practically lived on my doorstep.

SEC-TREAS There's another point too. We have let our schools get behind, and although we had money in the bank, we owed about the same amount at December 31st. The regulations say we must have a cash surplus, and we haven't got one.

CHAIRMAN OF FINANCE Oh yes. By cash surplus you mean more money in the bank than all our liabilities. But here's another point. We have \$25,000 worth of Victory Bonds. If we sold them there would be enough money.

REEVE Now, slow down with all our reserves, Dick. We had a tough job building that up during the war years, and so we placed it under Section 629 of the Municipal Act. Now it is earmarked for use only in the event of some emergency, and even then we must obtain the Minister's approval. He probably wouldn't agree in these prosperous years to using it for current requirements.

CHAIRMAN OF FINANCE O.K. Tom. I just wanted to be sure there was no easy solution for us. Perhaps we had better take the axe to those expenses.

REEVE We'll leave the public works until the end to see if we can reduce the other expenses at all. I don't want to see that road construction program reduced if we can avoid it.

SEC-TREAS Maybe we had better start on the uncontrollable section of the estimates.

CHAIRMAN OF FINANCE Just why are these particular expenses called uncontrollable, Harry?

SEC-TREAS The municipality is required to levy for these expenses by outside bodies, such as school districts, or by the commitment of a previous council, usually after reference to the ratepayers. The hospital levy is an example of that.

CHAIRMAN OF FINANCE You mean the Council has not the authority to refuse to levy and pay these amounts.

REEVE That's the size of it, Tom. For example, the first item of general school requirement, \$8,500.00, is set by the Department of Education. We can't change that.

CHAIRMAN OF FINANCE What about the "special schools levies?" I was looking at some of the estimates and a few of them appear very high. Can't we reduce them?

SEC-TREAS We would have to consult with the individual boards concerned and obtain their consent to any reduction.

CHAIRMAN OF FINANCE Fat chance of that, I suppose.

REEVE Well, they all have their budgeting problems too. What about this secondary school levy, Harry? A fellow was telling me he supports a secondary school in his school district, and then has to help pay for these secondary school levies also.

SEC-TREAS That is not so. There is only one secondary school in the Municipality, and the ratepayers in that district don't have to pay this levy.

CHAIRMAN OF FINANCE Just how does that work again?

SEC-TREAS Well, the assessment in that school district is deducted from the total municipal assessment. Then a rate is struck to provide the \$1,000 required. This levy is charged to everyone except the property owners in that school district.

REEVE I'm glad to see the Municipal Commissioner's Levy has almost disappeared this year, but the capital levy for the Bittersweet Hospital District won't change for many years.

CHAIRMAN OF FINANCE Well, Tom, that brings us to the Controllable Section. Does that mean that the Council can directly control all these expenses?

REEVE That seems to be the theory, but I can't see that many of these so-called controllable expenses are actually within our control.

SEC-TREAS You may be joking, but there is a good deal of truth in that remark, particularly when you consider social services such as municipal aid and hospitalization. If the bills are there, we pretty well have to pay them.

REEVE Before we go any further, Harry, can you let us know how you arrived at the figures you have estimated on your worksheet.

SEC-TREAS Certainly. For the most part they are based on the experience of the last two or three years. If I knew there was some sizeable difference, I made allowance for it, and noted it in the column headed "Comments". Now this didn't apply to public works. Dick can tell you more about this than I can.

CHAIRMAN OF FINANCE These have been talked over with all the other councillors, and they have each given me their minimum and maximum requirements. The work to be done on a 50/50 grant basis was discussed at our last Council meeting. Our road foreman has estimated how many hours work is required from our machinery to get this work done.

REEVE Well, your approach to these estimates appears very sound. But we had better get a little more detail on the use of the road machinery when we come to the public works. That's where our budget overexpenditures have come from in past years. Now, let's move along again. These items under Protection of Persons and Property should be easy to clear.

CHAIRMAN OF FINANCE I note that the provision for noxious weeds is less than we needed last year. We have more spraying to be done than last year, and in addition there's also some leafy spurge to be cultivated on the road allowance east of here.

REEVE I certainly don't like to increase these estimates, but we must keep the weeds under control. Perhaps we had better add \$200 to your provision here, Harry.

SEC-TREAS Okay. I'll fix that now. Before you get to the detail of the Social Services figures, I had better mention that I have gone over all the known cases in the Municipality requiring institutional care or municipal aid, the estimated cost of these plus a small margin for new cases arrives at \$3,000.00. The hospitalization is just guesswork.

CHAIRMAN OF FINANCE We've got to cut our costs somewhere. Couldn't we take a chance on cutting hospitalization \$200 and bring it back to last year's figure?

SEC-TREAS Okay, then, I'll reduce that one if Council are willing to adopt a stiffer collection policy. Some of these people could pay their own bills.

REEVE Come to think of it, there's a couple of families in that marginal area in the north west whom we had to help out last summer. I know they had fair crops and shouldn't be looking for any help this year.

SEC-TREAS I recall the ones you mean. I had them figured for about \$200 this year. Well, I can reduce my figure for municipal aid, then.

CHAIRMAN OF FINANCE Look here under miscellaneous, Harry. Can we cut this \$1,000.00 for Unforeseen out of the budget?

SEC-TREAS There are always items of expense during the year which have not been foreseen. I think it should remain to bolster appropriations which prove inadequate.

REEVE Well, it certainly should remain. But perhaps we had better take a chance on cutting it down to \$500.00. We don't want to cut the public works appropriations any more than we have to.

CHAIRMAN OF FINANCE Well, that brings us down to administration costs.

SEC-TREAS Since this is for the most part my department, I have tried to anticipate my requirements as accurately as possible. My salary, of course, has been set by Council. Indemnities have been figured on the basis of the estimated number of meetings, regular and special, at the rates of remuneration set out in the by law and includes the grant to the Reeve. The others have been based where possible on known requirements with some allowance for extras.

REEVE These look reasonable to me, especially my grant. Now can we get to Public Works?

SEC-TREAS Well, we have cut only \$1,000.00 off our total expenditures so far. We are still looking for about \$5,000 more to bring our general municipal down to last year's mill rate.

CHAIRMAN OF FINANCE What goes into this bridges and culverts account?

SEC-TREAS The 1953 program was laid out at our last Council meeting.

REEVE By the way, our estimate for that Snake River bridge was much too low. The road foreman tells me it will cost \$500 more than we figured. But there's nothing in that appropriation that we can reduce so we'll have to add on another \$500.00.

CHAIRMAN OF FINANCE The rest of these accounts arise chiefly from the operations of our road machinery. Could you review the accounting treatment of this so I can be sure I understand how it affects our estimates.

SEC-TREAS Certainly. For some years we have maintained cost records for each outfit. Now we can tell quite closely first, how many working hours we can normally expect from each machine during 1953; secondly, what will be the cash operating costs per hour for each machine. You will remember that we discussed our 1952 machinery operations in December. The Council, at that time, set the hourly rates to

be charged for each machine in 1953. The rates were larger than the cash costs to make a generous allowance for depreciation. This surplus will eventually be transferred to the machinery reserve to provide funds for the new elevating grader in 1953 and the new D8 caterpillar in 1954.

Now how do we bring this into the budget? You, Dick, have gone over the suggested work programme with the road foreman and each member of the Council. By taking the estimated number of hours for each machine, at the rate already set, we find the cost of each project. Just two other points I'll mention. We can't estimate more hours work from a machine than our past experience tells us we are likely to get. Also some of the operating hours are spent in maintenance and in moving equipment, so we charge it to general public works.

REEVE Why don't we ignore the time spent on moving and maintenance. We could cut a few thousand dollars there from the general public works.

SEC TREAS It would make the picture look better for a short while, but it doesn't actually save you any money. And you would find that you were not transferring enough money to your machinery reserve to buy the new equipment as you need it.

REEVE That makes sense, alright. But how can we cut our appropriations?

SEC TREAS Well, we must cut out some of the work we wanted done. And when the machinery has been used the total number of hours provided for, it will need to be tied up. You will remember that last year's over-expenditure was caused because we had a good fall and kept the machinery going after the money provided had all been spent.

CHAIRMAN OF FINANCE I see. And now this year we are having to pay for it, so it curtails our 1953 programme.

SEC TREAS Either that, or the mill rate must take a big jump.

REEVE Is there any waste in here that we can eliminate?

CHAIRMAN OF FINANCE Perhaps that brings us back to this argument on ward appropriations, Tom. The ward system leaves us shuttling machinery all over the country instead of letting it work. And also the sundry expenses in each ward are frequently made to soothe an angry taxpayer. They seldom produce a dollar's value for a dollar spent.

REEVE You know, Dick, I'm more and more inclined to agree with you.

CHAIRMAN OF FINANCE Just consider some of the advantages of eliminating the ward system. Much of the petty irritation to the councillor caused by angry ratepayers disappears because all decisions are made by the whole council. Then again the responsibility of council as a whole increases, and results in a much broader viewpoint from each member, because they don't have to spend all their time thinking of their own ward, but instead can consider the problems of the whole municipality.

REEVE well, Dick, we can't get rid of the ward appropriations for this year's budget, but we had better go into the matter again during the year.

SEC-TREAS But maybe the ward appropriations could be cut a little.

CHAIRMAN OF FINANCE Wards 3 and 4 are entitled to the construction equipment for a while this year because 1 and 2 had it in 1952. However, perhaps the public works sundries could come down a little.

REEVE O.K. We'll take \$200 off each. And I think we'll have to cut down on the D8 caterpillar and the elevating grader.

SEC-TREAS Fifty hours off the D8 and one hundred off the elevating grader would only give us \$1,350.00. That might be about a mile of new road.

REEVE Perhaps we had better do that, but I don't think we can reduce them any further. How does that leave the increase?

SEC-TREAS We have decreased the budget by \$3300 but we'll still have to increase our mill rate about 2 1/2 mills. Of course, 1 mill is for last year's overexpenditure.

CHAIRMAN OF FINANCE And the drop in special schools will help offset this.

REEVE Well, that's it boys. I don't like it, but I think we'll have to recommend it to Council this way.

Conclusion - Mr. Kenway

Is there anything for us to learn from this committee meeting? While the dialogue was intentionally presented to you in an informal manner, the reeve kept the discussion following a definite pattern which we intend to summarize. Before we do so, let us consider what work had previously been done, for here lies the primary reason that the budget problems were handled smoothly with no clouding of the issues which were brought under consideration.

Prior to this budget discussion, Council had already:

1. Discussed the 1952 machinery operations and set the hourly rates to be used for 1953.
2. They had laid out, in whole or in part, some of the work program for the coming year. In this example, the program for bridges and culverts had already been set.
3. They had authorized the reeve and finance chairman to act as a budget committee, together with the secretary-treasurer.
4. They had planned in advance their road machinery requirements, and how they would finance it.

The chairman of finance had already:

1. Prepared a program of road construction after detailed discussions with each member of the Council, with the municipal foreman, and with the secretary-treasurer.
2. He had examined much of the supporting detail behind the secretary-treasurer's preliminary estimates.

The secretary-treasurer, prior to the budget committee, had already

1. Converted the finance chairman's program for road machinery into terms of dollars and cents, and through use of his machinery cost records, had reconciled it with the amount of work that might reasonably be expected from each machine.
2. He had tabulated the anticipated requirements for each expense item.
3. He had prepared this information in convenient form for study by the budget committee together with comparisons against the previous year.

Now let us summarize the job done by that budget committee you were listening to.

First of all, they reviewed the overall budget picture as shown by the preliminary estimates, and then they explored methods of reducing the mill rate without discarding any of their work program for the year. Following this pattern, they examined in succession the following:-

1. Possibility of increasing other revenue.
2. Effect of the previous year's overexpenditure on this year's budget.
3. Cutting the tax reserve figure.
4. Using cash reserves instead of levying.
5. The expense items in the budget over which Council had a very limited degree of control. These included not only the "uncontrollable" but also many of the so-called "controllable" expenses.

Once they had arrived at this point, they knew had to reduce their work program or to increase their mill rate. So they examined their public works appropriation realizing that if they weren't willing to cut \$5,000.00 off it, the mill rate would go up.

Having made their decisions, they prepared their amended estimates for recommendation to Council.

Just one or two more points before I conclude. Once Council had approved the budget, the secretary prepared his bylaw, his Schedule A, and the record of estimates.

May I emphasize the necessity of properly completing the Schedule "A" and also the record of estimates, and that this should be regarded by Councils and Secretary-Treasurers alike as mandatory. The record of estimates carries the progressive history of the municipal finances for an indefinite period of time. The Schedule "A" to the rate bylaw is required to prove out the detail of your levies, and properly completed is invaluable as a check on the balance of the completed budget.

Month after month throughout the year, the secretary-treasurer prepares

his financial statements, and the Council reviews the appropriation statement closely. What they are trying to do is to measure the progress of their work program against the funds they have provided. Thus they can make the necessary adjustments to their program as conditions require without overexpending the budget as a whole. This is absolutely necessary to make the budget fulfill its complete function.

In conclusion, I wish to state that some of the figures used in this discussion probably don't seem realistic. However, they have been used only for illustrative purposes and you have only yourselves to blame for permitting the auditors to prepare this instead of somebody who knew what they were doing.

RURAL MUNICIPALITY OF "Y"

STATEMENT OF BUDGET WORKSHEET

For the year ended 31st December 1956

Schedule 1.

Page 1.

	Last year actual	Preliminary estimate	Comments	Changes by budget committee		Amended estimate
				Increase	Decreases	
Taxable Assessment	£1,997,000.00	£2,000,000.00				
Uncontrollable						
Schools - general	8,425.00	8,500.00				£ 8,500.00
- special	29,632.54	27,000.00				27,000.00
- secondary	864.00	1,000.00				1,000.00
Municipal Commissioner's levy	3,205.93	280.00	All but assessment costs removed			280.00
Bitterroot Hospital District levy	3,000.00	3,000.00				3,000.00
	45,127.47	39,780.00				
Controllable						
Public Works						
Ward 1	2,256.73	1,900.00	Construction equipment 1952		200.00	1,700.00
" 2	8,761.72	1,900.00	" " 1952		200.00	1,700.00
" 3	1,542.60	3,150.00	" " this year		300.00	2,850.00
" 4	1,288.37	2,700.00	" " this year		300.00	2,400.00
General public works	4,053.92	6,050.00	Road construction increased		1,350.00	4,700.00
Provincial municipal projects	4,874.60	5,500.00	Grants for £6,500.00 approved			6,500.00
Road maintenance	5,585.00	7,000.00	Council increased machine rate for 1953			7,000.00
Bridges and culverts	3,056.70	4,000.00	Larger program than 1952	500.00		4,500.00
Road commissioners' fees and mileage	908.63	1,000.00				1,000.00
Protection of Persons and Property						
Police	50.00	50.00				50.00
Fire protection	77.50	100.00				100.00
Noxious weeds	356.73	300.00		200.00		500.00
Predator control	205.00	200.00				200.00
Street lighting	639.78	700.00	Village of "Y" additional to 1952			700.00
Social Services						
Municipal aid	2,639.31	3,000.00	Institution rates have increased		200.00	2,800.00
Health Unit	1,432.74	1,500.00				1,500.00
Hospitalization	807.50	1,000.00			200.00	800.00
Grants	500.00	300.00				300.00
Plant and Equipment						
Relevating grader		5,000.00				5,000.00
Road machinery	5,768.00					
Miscellaneous						
Unforeseen		1,000.00			500.00	500.00
Administration						
Salary	3,300.00	3,200.00	Increase granted Bylaw 207			3,600.00
Annuitiy	185.00	185.00				185.00
Vital statistics	27.00	30.00				30.00
Indemnities and mileage	972.29	1,000.00				1,000.00
Delegations	195.00	200.00				200.00
Postage, printing and stationery	475.37	500.00				500.00
Office maintenance	305.64	300.00				300.00
Interest and bank charges	238.70	300.00				300.00
Insurance and compensation	305.00	250.00				250.00
Legal	97.00	100.00				100.00
Audit	375.92	400.00				400.00
Enumerators	100.00	100.00				100.00
Elections	74.00	100.00				100.00
General expense	572.12	200.00	Subdivision costs of £400.00 in 1952			200.00
Total operating expenditures	95,845.75	95,350.00				
Budget overexpenditure 1952	2,089.01	2,089.01				
Reserve for abatement and loss on current levy	3,617.22	3,700.22			950.00	2,750.22
Totals	97,463.27	\$101,190.00		\$700.00	\$4,000.00	\$97,890.00
Estimated 1952 (28.1 M plus special schools)	95,374.26					
Overexpenditure 1952	\$ 2,089.01					

RURAL MUNICIPALITY OF "I"
STATEMENT OF BUDGET WORKSHEET (continued)

Schedule 1.

Page 2.

Estimated expenses			\$101,150.00
Less: Special schools \$27,000.00 plus 5% reserve			<u>28,350.00</u>
			72,800.00
Estimated Revenue			
Other revenues:			
Penalties	900.00		
Taxes added	300.00		
Interest	100.00		
S.A. grant	700.00		
Sundry (licenses, etc.)	200.00	\$2,200.00	
Machinery reserve		6,000.00	8,200.00
			<u>\$64,600.00</u>
To be raised by levy			<u>\$2,000,000.00</u>
Assessment			<u>32.5 M</u>
Mill rate required			
General schools	4.25		
Secondary education	.6		
Municipal Commissioner	.15		
Hospital district	1.5		
Prior year's overexpenditure	1.0		
General municipal	<u>24.8</u>		
	<u>32.5</u>		

Amended estimates

\$97,850.00
28,350.00
69,500.00

8,500.00

\$61,000.00

\$2,000,000.00

30.5 M

SUMMARY OF MACHINERY OPERATION ESTIMATES

AND PUBLIC WORK SUNDRY EXPENSE

Hours	Machine	Cumulative cash costs per hour	Hourly rate chargeable for machine	Average operating hours per year	M1	72	73	74	Provincial Municipal Projects	Road maintenance	General public works	Total
	#12 Patrol			1,900	200	200	200	200		1,000	100	1,900
	D8 Caterpillar			1,500			150	100	900		250	1,500
	Elevating grader			900					700		200	900
				<u>4,300</u>	<u>200</u>	<u>200</u>	<u>350</u>	<u>300</u>	<u>1,600</u>	<u>1,000</u>	<u>650</u>	<u>4,300</u>
Costs	#12 Patrol	4.25	7.00		\$1,400	\$1,400	\$1,400	\$1,400		\$7,000		
	D8 Caterpillar	7.15	9.00				1,350	900	\$ 9,000			
	Elevating grader	4.25	7.00						4,000			
					1,400	1,400	2,750	2,900	13,000	7,000	5,250	33,100
	Public works sundry expense				500	500	400	400			800	2,600
					1,900	1,900	3,150	2,700	13,000	7,000	6,050	35,700
	Less: Road grants from Province								6,500			6,500
	Estimated costs carried to budget worksheet				1,900	1,900	3,150	2,700	6,500	7,000	6,050	29,200
Budget Committee												
Increases					200	200	200	200			1,350	2,150
Decreases												
	Amended budget figures				<u>\$1,700</u>	<u>\$1,700</u>	<u>\$2,950</u>	<u>\$2,500</u>	<u>6,500</u>	<u>7,000</u>	<u>\$4,700</u>	<u>\$27,050</u>

Notes M Maintenance time
C Construction time
1 Elevating grader reduced 100 hours
2 D8 reduced 50 hours

Date Date

Man. Univ.

136898

JS 171 M27 c.1
Manitoba University,
Extension course in municipal
HSS



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B15803

Handwritten notes and calculations:

2.56 / 93.65
0.28 / 0.88
0.69 / 77
26 / 20
24.2 / 88
12